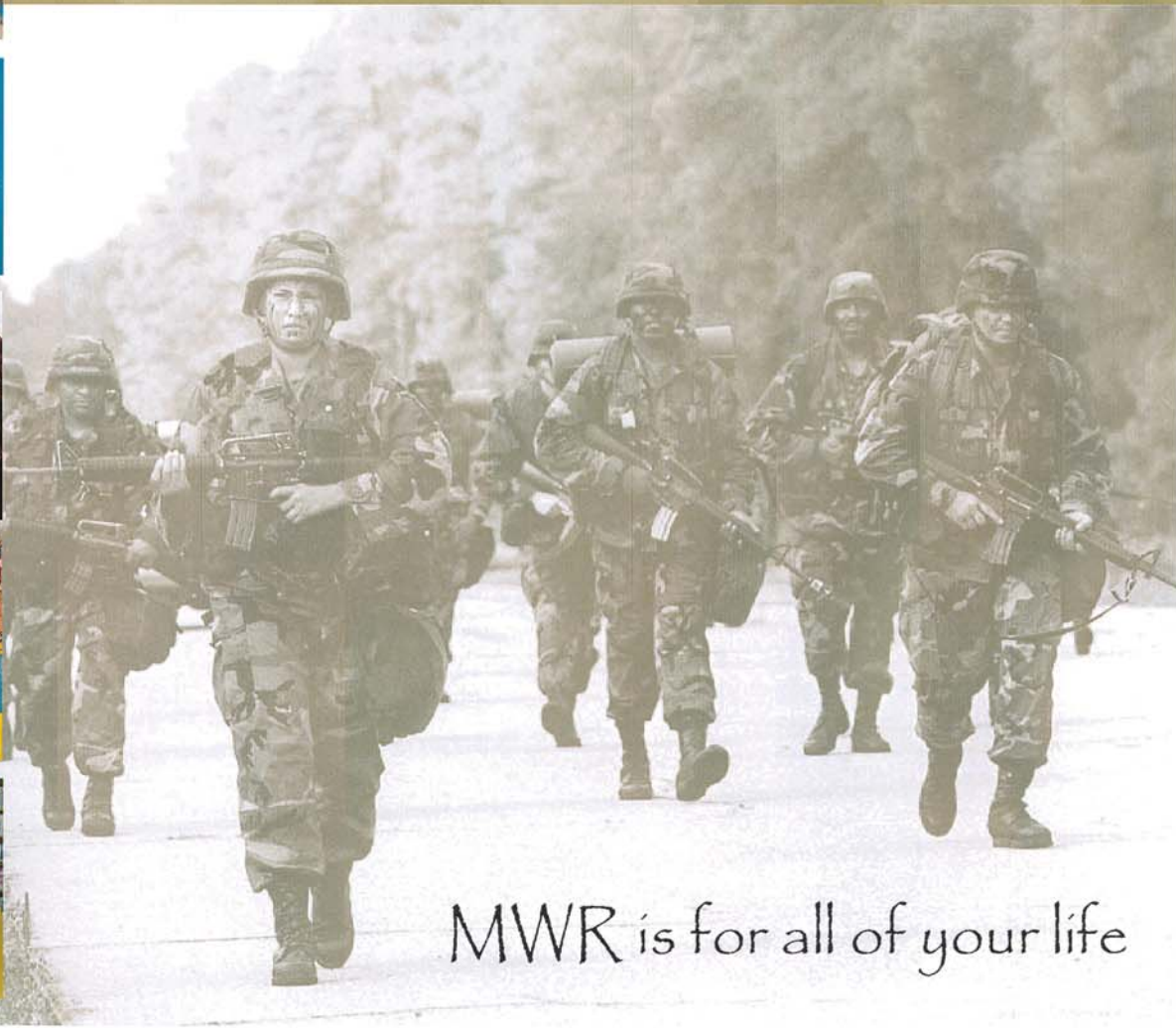


2000
Annual Report
Army Morale, Welfare & Recreation
U. S. Army Community and Family Support Center

"Serving America's Soldiers and Families"



MWR is for all of your life



Salute to FY 2000

The year 2000 was a banner year for Army Morale, Welfare, and Recreation. Our successes were the direct result of hard work and dedication to soldiers and their families by Commanders and MWR professionals Army-wide. A few of these accomplishments from FY00 include:

- Ensured Y2K compliance of MWR automation systems
- Consolidated guest houses into the Army Lodging Fund and developed a comprehensive renovation strategy
- Completed the Dragon Hill Lodge expansion on-time and on-budget
- Hosted over 1,100 personnel at the 4th biennial Garrison Commander/Director of Personnel and Community Activities MWR Expo
- Developed a fitness facility and staff improvement strategy
- Qualified 75 percent of World Class Athlete Program athletes for Olympic trials and sent 7 to the 2000 Summer Olympics
- Commenced Army Community Service accreditation
- Conducted the first ever Youth Education Summit
- Validated Military Child Care as the Nation's premiere model for child care
- Received approval to acquire an Enterprise Management System
- Awarded 3 new public-private venture (PPV) projects
- Managed \$48M worth of NAF major construction and capital purchases and minor construction projects
- Awarded a Department of Defense health benefits contract
- Implemented the RESUMIX system and a web-based resume builder
- Raised commercial sponsorship cash donations by 250 percent
- Developed a strategy to integrate the MWR Board of Directors' process into the Army Well-Being Plan

Quite an impressive list, but only a small part of the collective success of the MWR community in FY00.

Army-wide NAF operating activities enjoyed their aggregate best financial performance in many years. Worldwide field NAF instrumentalities ended the year reporting a net income before depreciation of \$117.3M or 13.7 percent of revenue, exceeding the MWR standard of 8 percent. This income will be reinvested in installation MWR facilities in new and replacement furniture and fixtures, renovations, and other needed improvements. The level of NIBD in FY00 was the highest recorded since FY91 — the last year official lodging was included in installation MWR funds. That the field overcame such a huge financial impact is testament to hard work and business acumen at all levels of leadership, management, and operations while maintaining first-class, quality services.

For the future, we will focus on the Army Vision of personnel, readiness, and transformation to include the CSA's well-being initiative. Well-being is a key component of the Army Vision — an overarching strategy to integrate all programs and services that meet the well-being needs of the force, be they MWR, family programs, facilities, TRICARE or others. The goal is to improve the individual needs and institutional strength of the Army — the force that binds us together as the "Army Team." As MWR transforms with the Army, taking care of people will remain our primary focus.

Army MWR programs are an integral component of soldier and family well-being, and a primary enabler to readiness. During the past decade, a solid body of research has repeatedly linked MWR programs to individual and institutional needs. MWR programs are designed to promote mental and physical fitness, build morale, foster self-reliance, and enhance quality of life — critical enablers to readiness. In 2000, a new promotional effort, "MWR is for all of your life", focused on pulling together and communicating the benefits that all of the more than 200 MWR programs and services convey to soldiers, their families, retirees, and Army civilian employees.

More than ever before, developing and sustaining standards in MWR programs are absolutely essential. Resourcing to baseline standards is particularly important, as well as measuring performance to those standards. The Army is already the Nation's benchmark for childcare, and is breaking new ground in developing standards in youth services programs. Similarly, we will set the standard for Army Community Service, Army Family Action Plan, Army Family Team Building, Recreation, Fitness and Sports, and other programs. Our focal point will be to balance the business aspects of MWR with quality, first-class service to our soldiers, families, civilians, and retirees.

We are pledged to provide a measurable, minimum level of support for MWR programs so that soldiers and family members will be able to expect predictable services throughout the Army. It's about committing to excellence in providing top quality MWR facilities, programs and services to the best soldiers and families in the world. It's about making life better for the Army.



Antonio M. Taguba
Antonio M. Taguba
Brigadier General, U.S. Army
Commander
U.S. Army Community and Family Support Center



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Executive Summary

First, The Army is people.

We are a values-based organization, and our stock in trade is leadership. That's what we do each and every day. We train soldiers and grow them into leaders. Our soldiers and leaders learn and live our values, and it is they who enable The Army to meet its leadership responsibilities at home and abroad. Soldiers are an investment in America, and we must continue to keep faith with them and their families....

- Gen. Eric K. Shinseki
Chief of Staff, U.S. Army

CONGRESSIONAL SUPPORT

Congress acknowledges the critical contribution that Morale, Welfare, and Recreation make to readiness through its hands-on interest in MWR programs and the quality of life they support.

The House Armed Services Committee continues its unwavering support for MWR. During March 2000 Congressional hearings, John McHugh, three-term Chairman of the HASC MWR panel, reminded attendees that the Panel "has sent a clear message we are solidly behind morale, welfare and recreation programs and the system that they represent. Programs... need continuous, publicly expressed support from all concerned parties to survive the very tough budget wars that we traditionally face." Chairman McHugh encouraged defense leaders, military families, and industry to "...speak up in support of this very, very important system when those challenges present themselves."

Noting that the military services "appear to be moving in the right direction regarding appropriated funds support of MWR activities", Chairman McHugh congratulated the military services and urged them to "keep it up." He expressed the hope that "you will all have standards in place to measure your progress against, like the approach the Army is so diligently pursuing."

In a report to accompany the FY01 Military Construction Appropriations Bill, the Military Construction Subcommittee, House Appropriations Committee, included language directing the Secretary of Defense to provide a plan for the creation of 25,000 child development spaces across DOD through construction over the next five years, from which the Army will receive 9,375 spaces.

Other Congressional highlights included:

Army Recreation Machine Program >
The FY01 National Defense Authorization Act (P.L. 106-398) required the Secretary of Defense to submit a report to Congress evaluating the effect of the availability of slot machines on overseas installations on members of the armed forces, their dependents, and others who use the slot machines. The Services and OSD met and determined that the Army will take the lead for the report.

Benefits >
Congress directed the Secretary of Defense to implement a program to assist those service members who qualify for food stamps by providing additional special pay of up to \$500 per month.

MCA Construction >
Authorized \$1.9M (\$1.9M above the budget request) for a Child Development Center (CDC) at Camp Carroll, Korea in FY00, and \$9.5M (\$6.1M above the budget request) for 3 CDCs in FY01 at Landstuhl, Germany; Fort Huachuca, Arizona; and Pine Bluff, Arkansas.

Impact Aid >
Authorized \$35M to DOD for Impact Aid and made numerous changes to existing law to include: doubling the "weight" of military children residing off base in calculations that determine IA funding levels; speeding distribution of IA funds to heavily impacted districts.

Commissaries >
Required that various commissary operating costs be paid with APF rather than with surcharge funds (as is current practice.) This action to protect the surcharge fund will free approx \$80M annually for commissary renovation and construction. Congress also added magazines to the list of authorized commissary store merchandise.



Gen. Eric K. Shinseki, CSA, talking with an AFAP program manager at the AFAP Conference 2000, Fort Belvoir, Va.
- Photograph by Hank Babb

DOD AND ARMY LEADERSHIP

Policy Update

In December 1999, the Secretary of Defense directed that morale, welfare, and recreation programs have until 7 December 2002 to implement requirements in Executive Order 13058, "Protecting Federal Employees and the Public from Exposure to Tobacco Smoke in the Federal Workplace." The implementing Department of Defense instruction reiterates the Executive Order requirement that agency officials shall not require workers to enter self-contained smoking rooms during normal business hours while environmental tobacco smoke is present.

Well-Being

Army well-being is the human dimension of the Army transformation and is defined as "the personal — physical, material, mental, and spiritual — state of soldiers (active, reserve, guard, retirees, and veterans), civilians, and their families that contributes to their preparedness to perform the Army's mission." As part of the Army Vision and the comprehensive transformation of the Army set forth by the Chief of Staff, U.S. Army, an Army Well-Being Strategic Plan was approved by the Vice Chief of Staff of the Army integrating and synchronizing well-being processes, programs, issues, and initiatives across the Army. This integration will provide senior leaders a framework for assisting in decision making on well-being priorities and funding. The Army Well-Being Campaign Plan is being developed by the Deputy Chief of Staff for Personnel. Full execution of the Army well-being program is scheduled for September 2001. Family programs and MWR are an integral part of well-being, and the U.S. Army Community and Family Support Center is working to support the CSA's well-being initiatives.

MWR Board of Directors

The MWR Board of Directors is composed of the Assistant Secretary of the Army (Manpower and Reserve Affairs); the four-star commanders of U.S. Forces Korea, U.S. Army Forces Command, U.S. Army Training and Doctrine Command, U.S. Army Europe and Seventh Army; U.S. Army Materiel Command; the U.S. Army Pacific commander; and the Sergeant Major of the Army. In FY00, the BOD approved the following initiatives:

Army Lodging >

An Army Lodging Fund will manage TDY billeting and guest house revenue from official travelers effective FY01. To recapitalize lodging, a "wellness plan" will assess a patron surcharge of \$6.00 per occupied room night for TDY rooms (effective FY00) and guest house rooms (effective FY01). Current plans are to increase the surcharge to \$9 in FY03 and \$12 in FY05, contingent on approval of Military Training Special Allotment/Military Personnel Army increases. The undepreciated value of guest house capital assets (\$50M) will be repaid to the MACOM/installation that originally funded the facility. MACOM payments (excluding Eighth Army) will total \$12M per year for FYs 01-03, with Eighth Army receiving \$4.5M a year for FYs 04-06. These funds will be exempt from the capital reinvestment assessment and NIBD or CPMC limitations.

Smoking Policy >

Smoking may be accommodated in FY00, 01, and outyear NAF major construction projects as long as the accommodation complies with the DODI requiring full implementation of smoking restrictions by December 2002.

Armed Forces Recreation Center — Europe and Shades of Green® on WALT DISNEY WORLD® Resort >

The BOD approved funding of designs to expand SOG and construct a new AFRC-E. The Hospitality Cash Management Fund will negotiate a \$135M "mortgage loan" to be drawn on demand if the projects are approved. Approvals by the MWR BOD, the Chief of Staff Army, the Secretary of the Army, and Congress are required before proceeding with construction contracts.



Soldiers from the 501st Forward Support Battalion, 1st Armored Division, distribute shoes and school supplies to Kosovar Albanian children. Based in Germany, the 501st is deployed in Operation Joint Guardian.
- Photograph by Staff Sgt. James Downen Jr.

MWR/ACS Baseline Standards >

The BOD approved baseline standards for Fitness and Sports, Army Family Action Plan, Child and Youth Services, Army Community Service, Recreation, and Libraries. Installations will conduct annual assessments against these standards. The BOD supports minimizing authorized funding migration from MWR programs, crosswalking assessments to POM 02-07 requests that support standards, and introducing incremental requirements in mini-POM 03-07 to address shortfalls.

FY01 NAFMC Funding Approval >

The BOD approved an FY01 AMWRF-funded NAF major construction program of \$42.6M, including \$3.1M in golf maintenance upgrades and \$2M in discretionary commitments (including 17 project validation assessments for FY02 projects).

DOD NAF Health Benefits Program >

After reviewing options to fund a congressionally mandated increase to 70 percent minimum for employer funding, the BOD approved funding the increase from the AMWRF.

Management Information Systems >

The BOD unanimously approved a \$2.5M increase to the FY00 MIS budget to fund new sustainment initiatives.

Fort Sam Houston Guest House >

The BOD abrogated a \$10.85M loan to construct the Fort Sam Houston guest house, effective November 1999.

Enterprise Management System >

The BOD approved the creation of a selection panel to review four candidate EMS projects identified in a Grant Thornton report but deferred acquisition until the panel's review is completed.

Recreation Lodging Financial Standards >

The BOD approved FY01 NIBD standards for CAT C recreation lodging components; large travel camps and campgrounds, cabins, cottages, and recreation general housing.

Mr. Bingo Settlement >

The BOD approved splitting any future settlement cost 50/50 between the AMWRF and affected installations, with the installations' share proportionate to total Bingo revenue.

NAF Post Retirement Medical Benefit >

The BOD approved an "Advance Funding" methodology to fund post retirement benefits as a percent of total payroll.

Installation Status Report

The Installation Status Report 2000 data call ran from January - May 2000. The MWR services measured through ISR 3 (Services) are: Army Community Service; Child and Youth Services; Fitness, Recreation, and Libraries; and Army Lodging. Performance measures for most of the MWR programs assess patronage statistics (percentage of population using the service) and overall patron satisfaction with the service. Generally, MWR services were assessed at C2 status (meets unit/activity needs and partly meets Army standards; has minor deficiencies; supports majority of assigned missions). The FY2001 ISR data call will run from January to May 2001.

In conjunction with ISR 3, the Army completed its third year of gathering Service Based Cost data. The Army's Cost and Economic Analysis Center is using SBC data to develop a standard service cost (what providing an ISR 3 service to a certain C-rating should cost) that will be a predictive model to assist in resource allocation. Current plans are to develop cost models by the FY06 POM for the majority of ISR 3 services. However, the Installation Management Steering Committee directed focus on five "most critical" installation functions for cost modeling within two years or less; Child and Youth Services is among those programs slated for advanced modeling.

MWR Baseline Standards

Consistent with the CSA's goal of establishing predictability across the Army, the October 1999 MWR BOD approved baseline and mission box standards for Fitness and Sports, the Army Family Action Plan, Child and Youth Services, Army Community Service, Recreation, and Libraries. The BOD directed annual installation assessments against these standards. Baseline standards establish minimum levels of support for MWR/Family programs, defining "sensible adequacy" in staffing, availability, facilities, and equipment. Mission box standards summarize critical elements within baseline standards for senior Army leaders, providing "at a glance" measures of program performance.

The BOD reviewed the results of the first installation/MACOM assessments (for FY99) in February 2000, which identified a \$108M requirement to improve program elements (less facility requirements) rated red or amber to a green status. The updated FY00 assessment was presented to the February 2001 BOD and identified a \$120.3M requirement to bring program elements to green. The FY00 assessment excluded ACS staffing (to be assessed in FY01) and future DOD Child and Youth Services requirements. The USACFSC crosswalked funding shortfalls to Program Objective Memorandum 03-07 and presented unfunded requirements to the installation program evaluation group (including ACS staffing).

Future funding for MWR programs is at risk unless MWR executes to Army funding levels. The USACFSC will continue to crosswalk assessments to future years' defense programs to identify requirements that support baseline standards, reconcile requirements to MACOM presentations, determine funding needed to meet shortfalls, and prepare justifications for funding. Commanders can support MWR by referring to baseline standards in their statements accompanying POM submissions and by encouraging installations to execute MWR to Army funded levels.



Capt. Joyce LuGrain, Commander of Charlie Company, 44th Signal Battalion, visits her soldiers at a check point. Capt. LuGrain's unit was deployed to Kosovo in Task Force Falcon.
- Photograph by 1st Lt. Tony Vitello

Active Army Family Demographics September 2000		
Family Units	286,910	
Family Member Distribution	87 % 13 %	CONUS OCONUS
% Married	72 % 50 % 53 %	Officer Enlisted Total
Dual Military	5,141 22,138	Officer Enlisted
Single Parents	2,753 33,078	Officer Enlisted
Family Members	251,239 458,947 3,558 713,744	Spouses Children/Youth Parents/Other Total
Working Spouses	55 %	

Figure 1-1

MWR Research

In the spring 1999 Sample Survey of Military Personnel, 58 percent of officers and 50 percent of enlisted personnel reported they have dependent children.

Child Care >

For personnel with dependent children 12-years-old or younger living with them and who use child care services, 20 percent of officers and 23 percent of enlisted personnel reported lost time from military duties because they were unable to find child care services. In addition, 39 percent of officers and 33 percent of enlisted personnel reported that their spouses lost time from paid or volunteer work because they were unable to find childcare.

Turbulence >

For personnel with high school-age children and who made a PCS move in the last 3 years, 71 percent of officers and 78 percent of enlisted personnel reported that their child experienced problems changing schools as a result of a PCS move.

In the fall 1999 SSMP, 55 percent of officers and 52 percent of enlisted personnel reported that they had used an Army post library in the previous year. For the same period, 74 percent of officers and 53 percent of enlisted personnel reported that they or a family member had used an installation club facility.

In the spring 2000 SSMP, 61 percent of officers and 56 percent of enlisted personnel reported that they or a family member had participated in an Army Community Service program or service during the last year. Overall satisfaction with MWR programs remained high in comparison to other quality of life areas, such as basic pay, retirement benefits, and availability of government housing.

The USACFSC's Survey of Army Families IV is scheduled for fielding in April 2001. The SAF is an Armywide survey of spouses of active duty soldiers that focuses on key MWR and quality of life areas. In addition, the USACFSC will continue to insert questions into future SSMP instruments to explore MWR program use, satisfaction, expectations, and off-post alternatives.

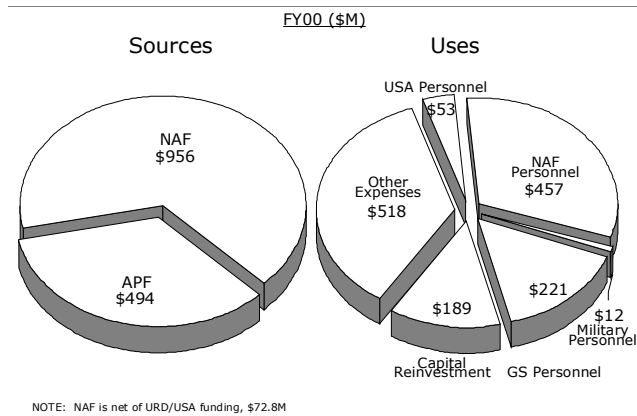
Army Demographics

The demographics of the Army's soldiers and family members (Figure 1-1) continue to reflect an increasingly CONUS-based force.

MWR Strategic Action Plan

In FY94, the MWR BOD approved and issued the Army MWR Strategic Vision for the 21st Century and the first Army MWR Strategic Action Plan. The vision articulated the mission, goals, and objectives to carry MWR into the 21st century, while the action plan outlined specific initiatives necessary to achieve those goals and objectives. The plan addressed issues such as NAF professional career development, financial management, information technology, construction, programs, and standards.

The Strategic Action Plan was updated through the years (Changes 1 through 4), and by the close of FY00 over 60 percent of the plan's original 127 actions had been completed. In October 2000, Change 5 was released as an interim plan to bridge the Army to a future objective plan that will be developed in FY01. This objective plan will incorporate ongoing actions but will focus on reshaping the Strategic Action Plan to meet the future needs and desires of customers while moving Army MWR into a global posture to meet business, cultural and personnel challenges into the 21st century. This major revision will be driven by the CSA's vision statement, by transformation, and by the Well-Being Strategic Plan.



MWR is Big Business - \$1.5 Billion

Figure 1-2

DOD Fiscal Standards: Metrics Army MWR Operating Funds						APF as Percentage of Total Expenses
Army Actual						DoD Metric
Category	FY 96	FY 97	FY 98	FY 99	FY 00	Minimum
Category A	85%	87%	88%	88%	90%	85%
Category B	62%	64%	61%	64%	65%	65%

Figure 1-3

Critical Financial Indicators Army MWR Operating Funds							
as of January 2001							
	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06
% AMWRF Loan to Field NAFI Deposits	56%	66%	61%	63%	*	*	*
Field NAFI Cash to Debt Ratio	0.9:1	0.7:1	0.8:1	0.9:1	*	*	*
Total Army NAFI Cash to Debt Ratio	0.7:1	0.5:1	0.6:1	0.6:1	*	*	*

* Plan being reviewed by MWR BOD

Figure 1-4

FINANCIAL OVERVIEW

All Army MWR Operating Funds

Field operating MWR programs and NAFIs, the Army Recreation Machine Program, and the Army MWR Fund comprise Army MWR operating funds. Collectively, \$1.5 billion in total APF and NAF funding supported FY00 operating and capital requirements worldwide — a \$50M increase over FY99. For APF, a \$10M increase resulted from a \$31M increase in Operation and Maintenance, Army offsetting declines in Military Construction, Army, and other operating accounts. For NAF, revenue was up \$39M over FY99, primarily due to increases in sales, ARM revenue, and other operating revenue. The Army and Air Force Exchange Service payments to the Army in FY00 were up \$5M from the FY99 distribution.

Figure 1-2 shows total funding support and uses in FY00. The ratio of APF to NAF support was 34 percent to 66 percent, respectively. The APF share fell one percentage point compared to FY99. The major use of funds continues to be personnel; however, at 51 percent of the total, personnel expenses are down one percentage point from FY99. After operating costs, \$189M was available for capital requirements — \$21M more than FY99 primarily due to larger funds being generated from operations.

DOD Funding Metrics

In November 1995, the DOD published fiscal standards for MWR requiring that, regardless of category, 100 percent of authorized costs are to be funded with APF. Metrics to measure these standards allow for incidental program-related resale operations that are not authorized APF. These metrics focus on the relationship of APF and NAF operating support for Category A (Mission Sustaining Programs) and Category B (Basic Community Support). They exclude the costs of goods sold and depreciation. For Category A, the minimum standard is 85 percent APF and 15 percent NAF. For Category B, the minimum ratio is 65 percent APF and 35 percent NAF.

The Army supports these standards. Army MWR long-range fiscal planning is based on matching the right funding source with APF/NAF requirements, and the MWR BOD established tracking mechanisms to ensure proper execution. Army MWR is now in its sixth year of monitoring these standards, and Figure 1-3 illustrates FY00 results. Army MWR reported steady improvement, with Category A APF rising 2 percentage points (a total of 90 percent) and Category B rising from 64 percent in FY 99 to 65 percent in FY00.

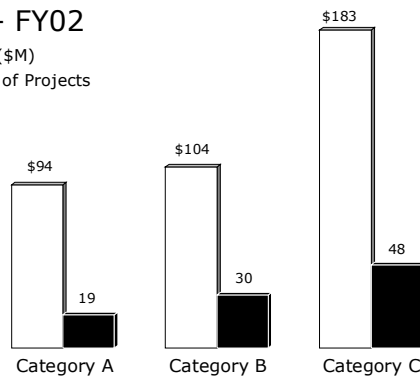
Critical Indicators

The MWR BOD uses many tools to monitor MWR operating funds and evaluate the program's collective health. Two major "critical indicators" are the cash-to-debt ratio of the collective funds and the relationship of the outstanding AMWRF loan to the Army Banking and Investment Fund with field NAFI cash deposits (Figure 1-4). For the cash to debt ratio, the BOD reviews the total Army's cash in the ABIF, excluding the loan, versus liabilities due and payable at specific points in time throughout the fiscal year. These actual indicators are then compared with the plan to ensure the Army is on track.

As of 30 September 2000, the Army's collective MWR operating cash to current field liabilities was 0.9:1. This is up from the 0.8:1 ratio reported in FY99, primarily due to stronger results from operations. The AMWRF loan ratio to field cash deposits was 55.7 percent, down 8.4 percentage points from 30 September 1999. A lower loan balance coupled with higher field balances contributes to this positive change. While these indicators still reflect a less healthy position than desired, the BOD anticipated this condition and will closely monitor the critical FY01-02 periods to allow the Army to execute planned capital expenditures while maintaining solvent operations. Detailed financial information, including a Summarized Balance Sheet and Summarized Income and Expense Report for the Army Operating Funds, is presented in Section 2 of this report.

FY98 - FY02

□ Dollars (\$M)
■ Number of Projects



MWR Construction Program

Figure 1-5

CONSTRUCTION

In FY00, Army MWR delivered 15 NAF major construction projects valued at \$43M and 31 Capital Purchase and Minor Construction design and renovation projects valued at \$4.6M to the MWR community. Army MWR has 57 major construction projects ongoing at 41 installations in CONUS, Alaska, Hawaii, Europe, Japan, and Korea. Additionally, 51 design/minor construction support projects are active at 30 installations Armywide.

Three Public-Private Venture projects are already in operation, and one is under construction. Eighteen more projects are in the approval stage. These projects represent a total potential cost avoidance of \$111M.

The Army is in its fourth year of systematic upgrades to the Armed Forces Recreation Centers.

Army MWR also supports other services for the execution of construction projects. On a reimbursable basis, Army support to the Navy, Navy Exchanges and Commissary, and Marine Corps was valued at \$15.3M for FY00.

Congress approved 19 NAF major construction projects with a total value of \$99.7M for the FY01 program.



The new Fort Bragg, Sportsman's Lodge (McKellers' Lodge).
- Photograph by Mary Lee Byrd



Lodging facility in Stuttgart, Germany; scheduled completion Summer FY01.
- Photograph by Nate Rinehart

Financials

Army MWR corporate finances

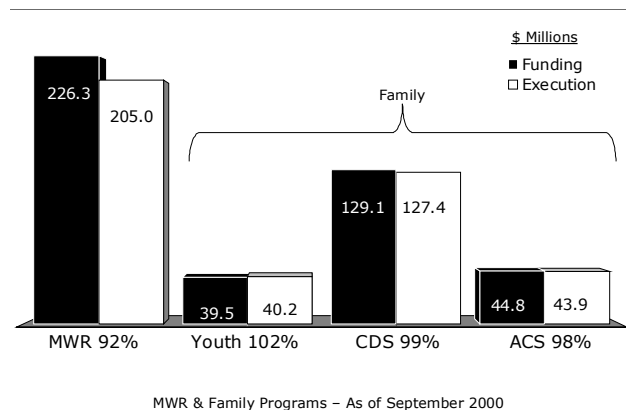
are the combined total performance from field operating Nonappropriated Fund Instrumentalities, the Army Recreation Machine Program, and the Army Morale, Welfare, and Recreation Fund

FIELD OPERATING FUNDS

Direct Appropriated Fund Support

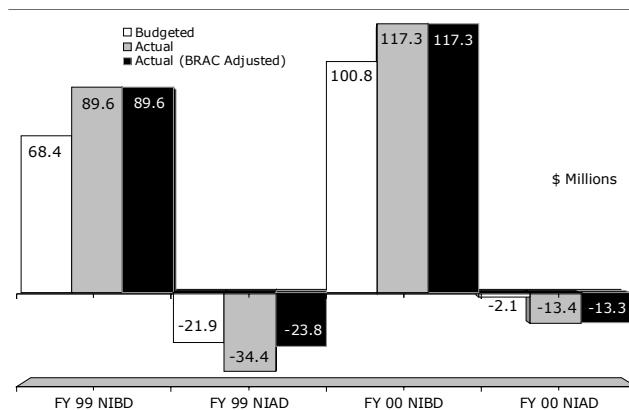
The .L account and family program accounts obligated at 94.7 percent of funding in FY00. The .L account executed \$205.0M (90.6 percent of funding) in support of Community and Morale Support Activities (i.e., military MWR programs). Family programs (Child Development, Youth Programs and Army Community Service) executed \$211.5M at 99.1 percent of funding. On a dollar basis, these amounts were \$22.5M more than FY99 execution for the .L account and \$18.6M more for the family program accounts. The FY00 approved level of total program funding was \$53.7M greater than FY99. Total execution increased by \$41.1M compared to FY99.

Figure 2-1 displays FY00 execution by Management Decision Package. For the third year in a row, .L account execution (MWR) was less than the initial funding levels. This is clear evidence of the difficult decisions commanders face to match scarce resources with priority requirements.



Execution by Management Decision Package

Figure 2-1



Field Operating NAFIs: Worldwide NIBD/Net Income
FY 99/00 Budget vs. Actual

Figure 2-2

FY	MWR BOD NIBD Standard	\$ Actual NIBD (BRAC Adjusted)	% Total Revenue
1993	0 %	\$ 44.6 M	5.0 %
1994	0 %	\$ 42.9 M	5.1 %
1995	0 %	\$ 44.8 M	5.3 %
1996	5 %	\$ 65.1 M	7.8 %
1997	5 %	\$ 75.8 M	8.9 %
1998	7 %	\$ 66.9 M	8.3 %
1999	8 %	\$ 89.6 M	11.0 %
2000	8 %	\$ 117.3 M	13.7 %

Figure 2-3

Functional NAF Operating Results					
Army Average Data Adjusted for Base Closure					
	\$ Millions	FY 97	FY 98	FY 99	FY 00
Income Generators					
Category C Programs		\$ 64.2	\$ 57.3	\$65.4	\$71.7
External Revenue		<u>140.3</u>	<u>124.0</u>	<u>\$130.9</u>	<u>\$147.6</u>
	Subtotal	204.5	181.3	\$196.3	\$219.3
Income Users					
Category A Programs		-\$ 9.4	-\$ 8.2	-\$5.2	-\$4.1
Category B Programs		5.6	4.1	\$3.7	\$7.1
Overhead Expense		- 100.7	- 95.4	-\$90.0	-\$89.1
Capital Reinvestment		<u>- 24.0</u>	<u>- 14.9</u>	<u>-\$15.2</u>	<u>-\$15.9</u>
Assessment					
	Subtotal	- 128.5	- 114.4	-\$106.7	-\$102.0
	NIBD*	\$ 76.0	\$66.9	\$89.6	\$117.3
	% of TOTAL REVENUE	8.9%	8.3%	11.0%	13.7%

* includes interprogram adjustments

Figure 2-4

Nonappropriated Funds

For the second year in a row, field-operating NAFIs posted record results from operations. For FY00, NIBD was \$117.3M, a \$27.7M or 31 percent increase over FY99. Figure 2-2 reflects FY00 field efforts to prevent "decapitalization" of the MWR program. Decapitalization occurs when NIBD is less than the depreciation for capital assets. For FY00, net income after depreciation reflected a \$21M improvement from FY99.

Figure 2-3 shows the Army's achievement in exceeding fiscal standards established by the MWR BOD. For the fifth year in a row, NIBD exceeded the standard.

Figure 2-4 reflects NAF functional operating results. Category A programs continue to reduce demand for a NAF subsidy, reflecting a \$1.1M lower requirement than in FY99. Category B programs posted positive results for the fifth year in a row. Category C programs continued positive results at \$71.7M, or \$6.3M greater than FY99.

The primary sources of nonoperating revenue for FY00 collectively reflect an increase over the previous year (Figure 2-5). Each source of revenue exceeded both budget and prior year results.

Figure 2-6 illustrates the BOD's aggressive implementation of fiscal standards. Remarkably, installations continue to exceed this standard.

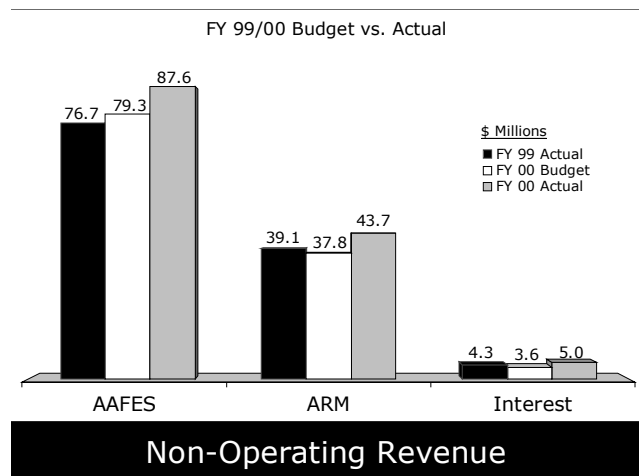
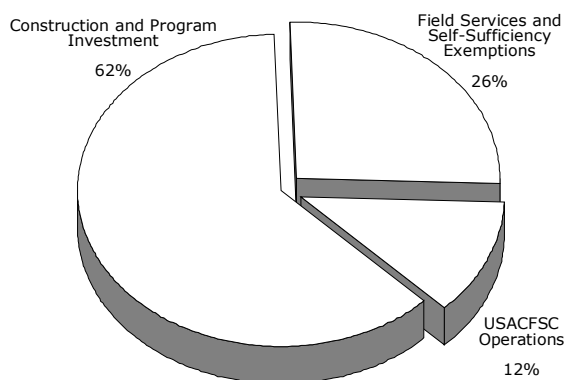


Figure 2-5

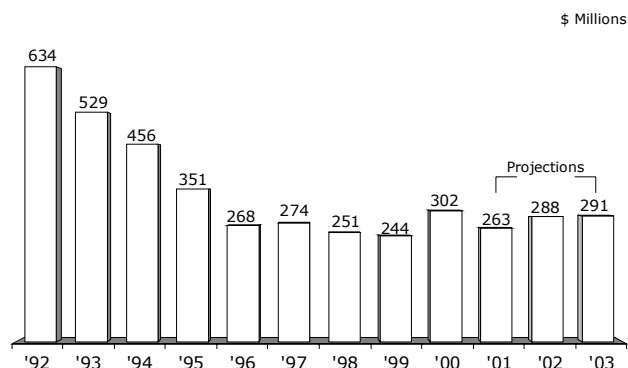
FY	NIBD Standard	Capital Reinvestment Assessment	Cash Generation Standard	Actual Cash Generated
	As % of Total Revenue	As % of Total Revenue	(NIBD+CRA)	%
1993	-	-	-	5.0 %
1994	-	-	-	5.1 %
1995	-	-	5 %	5.3 %
1996	5 %	2 %	7 %	9.8 %
1997	5 %	3 %	8 %	11.9 %
1998	7 %	2 %	9 %	10.2 %
1999	8 %	2 %	10 %	11.0 %
2000	8 %	2 %	10 %	13.7 %

Figure 2-6



Uses of an AMWRF Dollar

Figure 2-7



Army Banking and Investment Fund
Depositors' Balances - Net of AMWRF Loan

Figure 2-8

ARMY OPERATING FUNDS

This section addresses individual HQDA funds managed at the USACFSC and presents a summarized balance sheet and statement of income and expense.

Army Morale, Welfare, and Recreation Fund

This is the MWR BOD's seventh year of financing strategies to modernize the MWR NAF physical plant. The long-range plan redirects field NAFI revenue to the AMWRF for worldwide application and authorizes borrowing from the Army Banking and Investment Fund. In FY00, this extremely aggressive capitalization plan paid out \$44M for regular construction. While the largest portion of the AMWRF's cash finances capital requirements, the fund also invests in other Armywide programs, such as master training, interns, patron surveys, and marketing research. The next largest allocation is for field exemptions and services, such as self-sufficiency exemption dividends, capital purchase and minor construction grants, Army sports, and BOSS. The fund also supports a portion of the NAF administration budget for the USACFSC. Figure 2-7 shows how AMWRF dollars were allocated in FY00.

Army Central Insurance Fund

The Army Central Insurance Fund is a self-insured comprehensive NAF property and casualty insurance program. During FY00, catastrophic losses caused by fire, flood, and windstorms resulted in claim payments totaling \$1.1M for damage to NAF buildings and contents. A significant portion of the losses was commercially insured, reducing the exposure of the ACIF. Losses of \$362K were due to accidental damage to NAF operated vehicles. Employee dishonesty claims rose to \$143K. The cost of general and vehicle tort claims for bodily injury and property damage due to negligence was lower in FY00, with payments of \$458K. Increased workers' compensation claims caused an increase to program rates charged to installations in FY00. Decreased unemployment compensation claims caused reduced program rates for FY00. The ACIF had a net operating income of \$4.6M for the year. The program continues to emphasize safety and loss prevention to reduce losses and claim payments.

Army Banking And Investment Fund

The Army Banking and Investment Fund manages a pool of U.S. Government securities on behalf of participants and pays interest based on portfolio earnings. In FY00, the ABIF provided cash management and investment services to 400 Army and DOD entities. Participants earned a compounded rate of 5.56 percent on their average deposited balance. During the year, the ABIF distributed \$14.5M as interest income, up from \$11.8M in FY99. Invested cash rose from \$244M to \$302M from FY99 to FY00 (Figure 2-8).

Army Recreation Machine Trust Fund

The Army Recreation Machine Trust Fund administers Army Recreation Machine Program operating profits. In FY00, the ARMTF received \$73.5M in profit distribution – a \$7.9M increase from FY99. Major uses of cash in FY00, on a cash flow basis (which includes cash on hand at the beginning of the year), were \$74.7M in shared distributions and \$4.2M for internal ARM operations capital expenditures.

US Army NAF Retirement Fund		
Asset Class	Amount \$M	Percent %
Stocks (equities):		
Domestic	\$ 279.6	44.2 %
International	116.9	18.5 %
Fixed Income (bonds)	186.0	29.4 %
Venture Capital	47.1	7.5 %
Cash and Equivalents	2.3	.4 %
Total	\$ 631.9	100 %

Figure 2-9

US Army NAF Employee 401(k) Fund		Average Annual Total Returns Period Ending 30 Sep 00		
		1 Year	5 Years	Life of Fund
Investment Fund				
Retirement Money Market Fund		6.03%	5.48%	5.58%
U.S. Bond Index Fund		6.76%	6.38%	8.14%
Asset Manager Fund		18.73%	14.94%	13.57%
Growth & Income Fund		13.01%	19.44%	18.68%
Growth Company Fund		61.89%	28.99%	21.07%
Overseas Fund		10.05%	12.79%	16.73%
U.S. Equity Index Fund		13.16%	21.45%	19.18%

Figure 2-10

Army Central Retirement Fund

The Army Central Retirement Fund represents the total of employee and employer contributions and investment earnings on those contributions (plan assets) for the U.S. Army Nonappropriated Fund Employee Retirement Plan. The fund pays accrued benefits to participants and their survivors as determined by a formula based on salary and years of service.

As of 1 October 1999, the date of the last available plan actuarial valuation, the value of benefits that participants had earned to date (actuarial present value of accumulated plan benefits) was \$419.6M. This is the amount required to satisfy all the plan's obligations if it were terminated today. The market value of assets available on 1 October 1999 was \$531.9M, or a funded ratio of 127 percent.

A more important measure of the plan's financial health is its ability to meet future benefit obligations. An enrolled actuary makes these computations annually. The total actuarial accrued liability as of 1 October 1999 was \$456.6M compared with \$431.7M in 1998, with the actuarial value of assets at \$531.9M. This surplus represents continued fund strength and favorable investment returns.

Retirement plan assets are in a trust fund that can only be used to provide benefits to participants as authorized by the plan. Five trustees control the Trust and are responsible for investing assets in authorized investments, such as stocks, bonds, real estate, and government instruments. Assets are invested so that, over time, the return on investment meets the long-term assumptions on which the plan is based. The plan paid NAF retirees and their beneficiaries \$22.6M in FY00 including a 3.5 percent cost of living increase on 1 April 2000.

On 30 September 2000, the market value of the plan's assets totaled \$631.9M. Figure 2-9 shows asset investments. The return on investment earned by these assets for the year ending 30 September 2000 was 16.3 percent.

Army Medical/Life Fund

The Army offers health, dental, and life insurance benefits to its regular NAF employees as a participant in the DOD Uniform Health Benefit Plan. The Army Medical/Life Fund collects premiums from employers and employees (and the Army MWR Fund for the Army portion of the self-insured DODHBP) based on participant enrollment in health benefit options. Alternatively, employees may elect coverage through health maintenance organizations. Claim expenses for the DODHBP are satisfied by direct disbursements to affiliated medical service providers after the plan takes its discounts. When services are provided from outside the network or for dental claims, employees are reimbursed directly. To preserve the tax-preferred status of life insurance benefits, the AMLF reimburses a contracted insurance carrier for benefits paid to beneficiaries of deceased participants in the life insurance program.

As of 30 September 2000, fund assets totaled \$9.3M and liabilities totaled \$84.7M, for an equity reserve of (\$75.4M). This position reflects the actuarially derived liabilities to fund post-retirement medical benefits. In anticipation of the DODHBP, the MWR BOD had previously approved post retirement medical benefits effective January 1998 and directed a long term funding strategy to satisfy the requirement. The actuarially derived value of long term liabilities associated with funding those benefits was assessed at \$80M. The February 2000 MWR BOD approved an advanced funding methodology to amortize the liability over 40 years and fund it as a percent of total payroll assessed against the employing instrumentality.

401(k) Savings Plan

The US Army NAF Employee 401(k) Savings Plan continues to grow. As of September 30, 2000, total individual account balances were \$140.6M, an increase of \$31M from 1999. Figure 2-10 shows investment returns for the investment fund options available to employees. Enrollment by actively contributing employees increased 8 percent during FY00, reflecting the efforts of personnel managers to promote participation in the plan.

Summarized Balance Sheet

The overall financial position of the Army's MWR operating funds was sound as of 30 September 2000 (Figure 2-11). While current assets increased \$36.8M compared with the previous year, the fixed asset base increased over \$151M – an example of the Army's aggressive effort to modernize and maintain the MWR physical plant.

Current liabilities fell \$4.0M. Long-term liabilities also fell by \$5.9M due to a decrease in the outstanding balance of the AMWRF loan to the Army Banking and Investment Fund.

The funds' collective equity rose over \$121M for FY00.

Summarized Balance Sheet: Army MWR Operating Funds				
		30 Sep FY99	30 Sep FY00	Change
Assets	Current Assets			
	Cash/Investments	\$ 236,719,102	\$ 264,873,618	\$ 28,154,516
	Receivables	51,027,542	59,890,036	8,862,494
	Inventories	28,292,698	27,207,706	(1,084,992)
	Prepaid Items	<u>22,676,165</u>	<u>23,579,366</u>	<u>903,201</u>
	Total Current Assets	\$ 338,715,507	\$ 375,550,726	\$ 36,835,219
	Fixed Assets	1,939,307,727	2,089,997,491	150,689,764
	(Less) Accumulated Depreciation	<u>848,965,872</u>	<u>932,640,103</u>	<u>83,674,231</u>
	Book Value Fixed Assets	\$ 1,090,341,855	\$ 1,157,357,388	\$ 67,015,533
	Other Assets			
Liabilities	Capital Commitment/Sinking Funds	11,669,820	10,880,502	(789,318)
	Separation Sinking Funds	2,360,361	2,355,520	(4,841)
	Other	<u>62,139,818</u>	<u>69,798,676</u>	<u>7,658,858</u>
	Total Assets	\$ 1,505,227,361	\$ 1,615,942,812	\$ 110,715,451
	Current Liabilities			
	Accounts Payable	\$ 32,228,382	\$ 37,471,858	\$ 5,243,476
	Other	<u>142,056,639</u>	<u>132,770,111</u>	<u>(9,286,528)</u>
	Total Current Liabilities	\$ 174,285,021	\$ 170,241,969	\$ (4,043,052)
	Total Long Term Liabilities	<u>\$ 158,544,649</u>	<u>\$ 152,651,785</u>	<u>\$ (5,892,864)</u>
	Total Liabilities	332,829,670	322,893,754	(9,935,916)
	Fund Equity	<u>1,172,397,691</u>	<u>1,293,049,058</u>	<u>120,651,367</u>
Liabilities and Fund Equity		\$ 1,505,227,361	\$ 1,615,942,812	\$ 110,715,451

Figure 2-11

Summarized Income and Expense Statement

Figure 2-12 illustrates the statement of FY00 APF and NAF operations compared with FY99. The NAF revenue and expenses have been reduced in this display due to the Utilization, Support and Accountability in order to preclude overstatement of APF and NAF resources.

Total APF support increased \$10.3M compared with last year. There was a \$31M increase in Operation and Maintenance, Army, that offset decreases in other operating accounts and Military Construction, Army. The amount of military personnel reported working in MWR also declined from FY99.

NAF revenue increased by \$39.5M from FY99. Higher sales revenue and interest income, other operating revenue and Army Recreation Machine revenue heightened the material increases. NAF expenses reflected a less than 2 percent increase. While there was a slight decrease in NAF overhead personnel dollars, excluding USA, there was a slight increase in NAF operating labor. As a percentage of NAF revenue, operating labor declined 1 percentage point.

Cash generated from operations totaled \$163.4M for FY00, an increase of \$27.5M from FY99.

Summarized Income and Expense Statement: Army MWR Operating Funds

	FY99	FY00	Change
Revenue			
APF :			
Military Personnel	14,848,490	11,897,655	(2,950,835)
OMA	408,489,590	439,528,261	31,038,671
Other Operating	19,695,127	6,913,734	(12,781,393)
DLA	9,122,600	10,537,740	1,415,140
<u>MCA</u>	<u>31,900,000</u>	<u>25,500,000</u>	<u>(6,400,000)</u>
Subtotal	\$ 484,055,807	\$ 494,377,390	\$ 10,321,583
NAF :			
Sales	238,805,314	244,590,393	5,785,079
Gross ARM Revenue	110,231,496	121,550,967	11,319,471
Central Fund AAFES Div	58,767,136	53,391,762	(5,375,374)
ASD/Other AAFES	76,748,553	87,587,110	10,838,557
Other Revenue *	427,352,929	443,220,564	15,867,635
<u>Interest Income</u>	<u>4,862,164</u>	<u>5,898,904</u>	<u>1,036,740</u>
Subtotal *	\$ 916,767,592	\$ 956,239,700	\$ 39,472,108
Total Revenue & Appropriations	\$1,400,823,399	\$1,450,617,090	\$ 49,793,691
Expenses			
APF :			
Operating Labor **	193,542,449	182,769,200	(10,773,249)
Overhead Labor **	52,979,492	49,835,056	(3,144,436)
APF Support for USA Labor	23,508,520	53,183,480	29,674,960
<u>Other Operating Costs</u>	<u>182,125,346</u>	<u>183,089,654</u>	<u>964,308</u>
Subtotal	\$ 452,155,807	\$ 468,877,390	\$ 16,721,583
NAF :			
Cost of Goods Sold	103,761,705	107,409,617	3,647,912
Operating Labor *	348,221,595	352,491,664	4,270,069
Overhead Labor *	104,060,446	103,968,707	(91,739)
<u>Other Operating Costs *</u>	<u>224,798,833</u>	<u>228,968,845</u>	<u>4,170,012</u>
Subtotal *	\$ 780,842,579	\$ 792,838,833	\$ 11,996,254
Total Operating Expenses	1,232,998,386	1,261,716,223	28,717,837
<u>Military Construction Army</u>	<u>31,900,000</u>	<u>25,500,000</u>	<u>(6,400,000)</u>
Net Income Before Depreciation	135,925,013	163,400,867	27,475,854
<u>Depreciation</u>	<u>119,901,330</u>	<u>134,135,423</u>	<u>14,234,093</u>
Net Income (Loss)	\$ 16,023,683	\$ 29,265,444	\$ 13,241,761

* Net of URD/USA; FY99 USA revenue \$35,334,104, FY00 USA revenue \$72,831,792

** Includes General Service, Foreign Nationals, Wage Grade, and Military Personnel, Army

Figure 2-12

Workforce

The workforce is critical to accomplishing the MWR mission.

The Army provides a menu of services for the 35,000 employees who deliver worldwide MWR. These services include referral, training, benefit management and administration, and career field management.

2000 WHITE PLUME AWARDS

The White Plume was established in 1982 by The Adjutant General of the Army to recognize outstanding service and contribution to MWR and family programs. It is the Army's highest medal for achievement in support of Army MWR. The winners of the White Plume in FY00 (Figure 3-1) represent true service to the Army and the soldier.

2000 MWR White Plume Awards	
Verlin H. Boram	Fort Stewart, Ga.
Joan Capella-Weinard	USACFSC
Patricia J. Casale	FORSCOM HQ
Dejeanne J. Comeau	AMC HQ
Col. Harold E Cooney	USACFSC
William F. Crane	Ft Lewis, Wash.
Michael B. Dutcher	Fort Hood, Texas
Mary Jane Fletcher-Hermes	Fort Carson, Colo.
Joseph Moscone	Fort Bliss, Texas
Thomas W. Mull	Fort Benning, Ga.
Harriet E. Rice	USACFSC
Charles R. Sandlin	USACFSC (Posthumous)
Verley Tate	FORSCOM HQ
Nadine J. Walsh	USACFSC
Brig. Gen (P) Craig B. Whelden	USACFSC
Wallace V. Whitesides	USACFSC
James G. Wilbert	Hale Koa Hotel, Hawaii

Figure 3-1

NAF EMPLOYEE BENEFITS

Benefit programs for NAF employees continue to improve. The new Department of Defense Uniform Health Benefit Plan was implemented in January 2000 with over 6,500 participants. A new feature of the plan, a post-retirement medical benefit, was approved for funding by the MWR BOD at a rate of 2.8 percent of total NAF payroll. Eligible retirees will receive a health insurance premium subsidy at the same rate as active employees.

Other amendments to the NAF employee retirement plan included:

- > Established a 100 percent continuation option for survivors of active employees who were retirement-eligible
- > Authorized the purchase of retroactive service credit under certain criteria
- > Made employee participation in the plan mandatory for the first six months of employment

NAF employee benefit files were converted to digital imaging in FY00, and a state of the art data storage and retrieval system for the maintenance of real time benefit data was installed. The USACFSC began work on a web-based benefits system that will allow civilian personnel units to access the new data system through the internet.

CAREER DEVELOPMENT PROGRAMS

Master Training

The MWR Academy, located in Falls Church, Virginia, offers *First Choice* courses for the Army and its sister services. Academy courses support the MWR Master Training Plan. The MWR Academy trains entry-level managers through general officers serving as installation commanders.

Web-based training remains at the forefront of planning efforts. The USACFSC basic management and NAF basic contracting courses will be web-based in 2001.

Since 1988, the MWR Academy has trained 14,612 students (Figure 3-2). In FY00, the Academy trained 2,053 Army, Marine, Navy, Army Reserve, Army National Guard, and Air Force Reserve students.

The MWR Academy delivers 11 percent of its training at the installation, 41 percent at the Academy, 36 percent by correspondence, 5 percent by contract off-site, and 7 percent at the MWR Culinary Academy in Fort Lee, Virginia.

The American Council on Education evaluates MWR Academy courses and recommends college credit for many offerings. Neither the ACE nor the MWR Academy grants college credit, but ACE recommendations encourage colleges and universities to award credits to students participating in applicable degree programs.

Career Management and Staffing

The USACFSC assisted commanders in filling MWR vacancies, both APF and NAF, at grades GS-9/NF-4 and above. A total of 409 referral lists were issued in FY00, a slight decrease from FY99. At year's end, a new business process was introduced that changes how job vacancies are advertised, how applicants apply, and how referral lists are prepared and issued. A key element in this process is software that scans and stores applicant resumes and then matches applicant skills to job requirements. With just one resume, applicants may apply for multiple positions at different locations. Resumes may be submitted via the internet, e-mail, or in hard copy.

Development efforts continued on the Career Management and Staffing Program. The CMSP is a long-term strategy to develop and institutionalize MWR manager succession planning. This program is integral to the implementation of the Uniform Resources Enhanced Program. The USACFSC contracted with Logistics Management Institute to perform an independent review of the proposed program.

NAF Management Trainee

This centrally funded program places college graduates with degrees in certain specialties into MWR positions. Four trainees were recruited in FY00: two trainees in outdoor recreation, one in child and youth services, and one in marketing. They received training at Picatinny and Redstone Arsenal, Fort Lewis, and Fort Drum. Four trainees from the prior year completed on-the-job training and moved into permanent placement positions.

MWR Academy Total Students Trained by Course	
281	ACS Management Course
541	Applied Financial Management
168	Bowling Managers' Course
59	Brigade Recreation Specialist Course
19	Catering Skills
29	Catering Professionals
336	CDS Directors' Course
2,706	CFS Management Course
350	Club Management Course
119	Construction Contracts
161	Contract Administration
187	Contract Law
155	Contract Negotiation
159	Cost and Price Analysis
276	CYS Training and Curriculum Specialist Course
599	Division Chiefs' Course
208	DPCA/DCA Course
68	Family Child Care
11	Fast Food Management
44	Food and Beverage Automation
855	Food and Beverage Management Course
8	Food Service Skills
28	FoodTrak
370	Garrison Pre-Command
114	General Officer Installation Commander's Course
338	Golf Managers' Course
313	Inventory Management
77	Joint Family Support Directors' Course
21	Lodging Supervisors' Front Office Managers' Course
24	Lodging Supervisors' Housekeeping Course
22	Lodging Skill Builders Course
6	MWR Specialists' Course
42	Marketing Managers' Course
786	NAF Advanced Contracting Course
1,547	NAF Basic Contracting Course
293	NAF Basic Navy
701	Operation Excellence
39	Recreation Managers' Course
9	Quick Service Skills
19	Senior Leaders' Course
2	Senior Managers' Orientation
201	SPS FCC Course
237	Youth Services Course
12,528	Total

Figure 3-2

Management Summaries

The focus has to be on the quality of life for the people.

The people are the heart of the armed services.

Without the men and women we are able to attract and

retain to man the forces, then we really don't have a national defense.

- Defense Secretary Donald H. Rumsfeld

FAMILY PROGRAMS

Child and Youth Services

The first six recipients of the Child and Youth Services Pioneer Award were recognized at the MWR Commanders' Conference in August 2000. The Pioneer Award was established in honor of Ms. Marlene Scavo, former Child Development Services Coordinator at Fort Lewis. The award acknowledges contributions that make child and youth programs a model for the nation.

2000 Pioneer Awards	
Janet Hicks	HQ, FORSCOM
Janis McConnell	Fort Carson, Colo.
Mary Ellen Pratt	HQDA
Marlene Scavo	Fort Lewis, Wash.
Penny Schneider	HQ, MDW
Gwendolyn Smith	HQ, TRADOC

The Army serves over 450,000 eligible child and youth (ages 4 weeks to 18 years old) at 127 locations in 29 States, the District of Columbia, and nine different countries and territories.

In May 2000, the National Women's Law Center, a non-partisan advocacy group, released a report that noted: "The best chance a family has to be guaranteed affordable and high-quality [child] care in this country is to join the military." This same demand for quality programs that are affordable, available and predictable applies not only to the Army's child development services program, but also to its school-age services and youth programs.

During FY 2000, work began to integrate Liaison, Education, and Outreach Services into the CYS structure. The CYS seamless delivery system relates directly to the execution of youth education and school liaison officer functions, as well as to local community partnership responsibilities.

Program accomplishments for FY 2000 included:

- > Certifying 100 percent of the Army's CDS programs by the Department of Defense.
- > Achieving a 96 percent accreditation rate for Army Child Development Centers by the National Association for the Education of Young Children (compared to a rate of 8 percent for civilian centers).
- > Funding \$6.8M for the acquisition and installation of video surveillance equipment at all Army CDCs to prevent child abuse.
- > Connecting more than 76 percent (112 of the 147) of youth computer labs to the internet.
- > Expanding volunteer participation in Promise Passport to include more than 26,000 Army youth – the Army's contribution to the community involvement goal of the America's Promise program.
- > Conducting an Education Summit at the behest of the Chief of Staff, Army to address education issues affecting soldiers and families Armywide.
- > Establishing a Youth Education Action Working Group to address unique school transition issues, such as senior year moves, records transfers and graduation requirements.

Army Family Team Building



An AFTB core volunteer instructor illustrates a point at Master Trainer 3, Sedona, Ariz.
- Photograph by Hank Babb

The Army Family Team Building motto is *Empowering Families for the Future*. As a commander's readiness-training program, AFTB provides families with information, knowledge and skills they need to be self-reliant. AFTB is a volunteer program designed and written by and for volunteer family members.

In FY00, AFTB trained more than 500 volunteer Master Trainers from active and reserve components. Volunteers incur one-year commitments to return home and work with local AFTB programs. In August, 85 master trainers were certified as Core Volunteer instructors. Also, this year, sixty master trainers attended the first Master Trainer Course taught in Spanish. Senior Spouse Leadership Seminars at the Sergeants Major Academy and the Army War College attracted 170 attendees.

On AFTB Day, 16 December 1999, *AFTB Net-Trainer* went online. This worldwide communications network for AFTB personnel offers interactive family member training (Level 1) designed for reserve component and geographically dispersed family members of the active component. More than 1500 students completed online training who could not previously attend training.

In November 2000, AFTB volunteers received international recognition for community service, receiving the prestigious "Service Award" from the Association of Volunteer Administrators.

Future AFTB initiatives include:

- > Review AFAP proposal for program standards and funding of personnel to manage local AFTB and AFAP programs.
- > Expand Net-Trainer to include Levels I and II in Spanish.
- > Publish a DA Regulation.
- > Train 750 volunteers in four Master Trainer and one Master Trainer Professional Development courses and two Senior Spouse Leadership Seminars.
- > Conduct a new AFTB Program Managers' Course.
- > Refine the quarterly management report.
- > Conduct 22 program assessment visits.
- > Implement standards and program accreditation.
- > Reactivate the AFTB official newsletter, *The Teamplayer*

Program updates can be found at www.armyfamilyteambuilding.org.

Army Family Action Plan

On 17 November 2000, 26 delegates to the HQDA AFAP Conference provided a well-being report and a call to action to the AFAP General Officer Steering Committee and assembled constituents. Conference delegates added 13 new issues and identified services and initiatives that they consider most critical.

2000 AFAP Conference

Top New Issues

Family Sponsorship During Unaccompanied Tours
Dissemination of Accurate TRICARE Information
TRICARE Services in Remote OCONUS Locations
Full Replacement Costs for Household Goods Shipments
Active Duty Spouse Tuition/Education Assistance
Incentives for RC Military Technicians

Top Active Issues

Basic Allowance for Housing
Graduation Requirements for Transitioning High School Family Members
Revitalization of Army Family Housing & Elimination of Housing Deficit
Modification of Weight Allowance Table
Health Care Benefits for Retirees (65 and Older)
Pay Table Reform

Most Valuable Services

Medical/Dental
Housing
Child Development Services
Retirement Services

The AFAP's first baseline program standard — annual installation AFAP forums — reaped positive results in FY00 with 16 MACOMs (six more than in 1999) submitting 118 issues to the HQDA AFAP Conference. Three additional standards were approved by the MWR BOD in FY00: a designated AFAP program manager; an installation steering committee (mirroring the AFAP GOSC); and an annual MACOM AFAP conference. Implementation of these standards will be measured in 2001, and MACOM scores will be reported to the MWR BOD.

As result of a 1999 AFAP issue, MACOMs and the USACFSC submitted a requirement through the FY03-07 POM process to support a joint AFAP/AFTB program manager at installations, regional locations and MACOMs. Implementation is subject to funding and manpower from the organization to which AFAP and AFTB are assigned — usually ACS. Approval of the POM requirement will improve program quality, promote consistent implementation, and eliminate the need to use ACS resources.

AFAP contributes to Army well-being by empowering its constituents to have a say in Army standards of living. In FY00, program infrastructure improvements and senior leadership support of critical issues underwrote AFAP's role as a key change-management tool. Gen. John M. Keane, VCSA, said:

"There are very few [conferences] that bring together the collective judgment and wisdom that AFAP does. I think AFAP is clearly a call to action. This organization has a bias for action and things get done as a result of the input that we get from members out in the field. I know of no activity in the United States Army that has as much tangible results as AFAP. I don't think there is any parallel for it in anything else that we do. More legislation, more policy and procedures have been implemented as a result of this organization than any other activity that I am aware of in the United States Army. It is absolutely extraordinary."

Army Community Service

Army Community Service efforts focused on developing baseline standards and an accreditation process for ACS centers in FY00. These initiatives provide the foundation for consistent quality across the Army, yet allow commanders flexibility in meeting local needs. An updated AR 608-1, Army Community Service, was also published in FY00. The rewrite defined core services, service standards, oversight responsibilities, and management and measurement strategies.

ACS programs received intense public and Congressional attention in FY00. A Congressionally-mandated DOD task force on domestic violence is expected to recommend improvements to the Family Advocacy Program. Concerns about the financial well-being of soldiers resulted in improvements to education and training on financial

management and implementation of the Women's, Infants and Children program in overseas locations. Attention on spouse employment issues will generate new partnerships with businesses to increase jobs and training opportunities for spouses.

In FY00, \$44.7M APF was programmed for ACS, a \$4.3 increase over FY99. Overall execution was \$43.9M, a 98 percent execution rate. In FY00, Family Advocacy and Relocation programs obligated \$38.7M and \$4.2M in OSD funding, respectively. Total operating costs by program were as follows: Exceptional Family Member - \$1.8M; Family Advocacy - \$5.3M; Employment Readiness - \$2.3M; Foster Care - \$.5M; Financial Readiness - \$5.3M; Information, Referral & Follow-Up - \$2.2M; Outreach - \$2.2M; Relocation Readiness - \$4.6M; and the ACS Base - \$19.6M.

Family Advocacy Program

Family violence statistics in the Army continue to decline, with 2,213 substantiated cases of child abuse in FY00 compared to 3,211 in FY96. Given child population for FY96 (451,667) and FY00 (438,803), the Army rate of substantiated child abuse decreased from 7.1 /1,000 to 5.0/1000 – substantially less than the civilian rate of 14/1,000 reported by the National Committee for the Prevention of Child Abuse. There were 3,410 substantiated spouse abuse cases in FY00, compared to 6,195 in FY96. Comparing the populations of married persons (soldiers and spouses) for FY96 (606,903) and FY00 (529,377), the rate of substantiated spouse abuse declined from 10.2/1,000 in FY96 to 6.4/1,000 in FY00. Comparisons with the civilian sector are not possible, as there is no central database for spouse abuse.

Financial Readiness Program

In FY00, the Congress, DOD and CSA expressed concern for the economic well being of soldiers and families with the following initiatives: personal financial instruction during basic combat training and advanced individual training; eight hours of mandatory personal financial readiness instruction for first-term soldiers; life-cycle education program (entry to retirement); an OCONUS Women, Infants and Children program; a supplemental family subsistence allowance; a thrift savings plan for military personnel; and expansion of the personal financial readiness program to include the reserve component. In response, the Financial Readiness Program educated 354,112 soldiers in 15,858 classes. Attendees were primarily soldiers in the ranks of private through specialist and their family members. The program provided financial counseling to 112,775 individuals, debt liquidation assistance to 18,327 personnel (for debts totaling \$23.1M), and income tax assistance that saved soldiers \$1.2M in income tax filing fees.

Relocation Assistance Program

Relocation Assistance Program services most widely used by soldiers, civilians and their families are the Standard Installation Topic Exchange Service, lending closet, predeparture services, and newcomer orientation. When soldiers, civilian employees, and their families relocate, SITES provides information about the next duty station and nearby civilian communities. With real time capability, links within SITES access military and civilian web sites that address relocation issues related to moves. The RAP continues to emphasize service to first term soldiers and their spouses.

The Joint Services RAP Conference was held in Nashville, Tenn., in May 2000, attended by 86 Army RAP personnel. Certification of relocation readiness services managers is a high priority, with 17 staff members certified as Relocation Professionals by the Employee Relocation Council, a national association to oversee, manage, and support U.S. domestic and international employee transfers. The first Relocation Assistance Managers' Course was held at the MWR Academy in September 2000 with 25 students. The program also provided 17 youth sponsorship grants in FY00, continuing a partnership with the Youth Services program.

New Parent Support Program

The Army's New Parent Support Program Plus is a prevention and education program aimed at child abuse and neglect. The program is mandated by Congress and funded by OSD. Each NPSP+ site has a team of licensed social workers and nurses who focus on home visitation, which allows role modeling, mentoring and one-on-one parent education for at-risk families.



Army Community Service provides many programs and services that directly contribute to soldier and family well-being.

- Photograph courtesy of Army Community Service, Fort Myer, Va.

Employment Readiness Program

In FY00, \$2.34M in funding provided a broad range of employment services to more than 248,819 patrons at an average cost of only \$9 per customer. The program made over 56,985 job referrals and helped secure paid employment for 9,109 family members, bringing in revenue of over \$182M to Army households – a very high return on Army dollars given the amount expended on this program. In addition, Employment Readiness provided counseling (job search and career assessment) to 66,875 clients worldwide: 8,905 soldiers (13 percent); 24,258 family members (36 percent); 5,657 DOD civilians (8 percent); 3,748 retirees (6 percent); and 24,307 “other” clients (36%). Job-skills training was provided to 19,923 clients.

In Aug 2000, a DOD Spouse Employment Summit helped position the military services to enhance military spouse careers and improve family income and retention of high quality military personnel. Participants identified over 30 challenges facing military spouse employment professionals and customers. These challenges fell into five broad categories: standardized programs and services, dedicated resources, career continuity for spouses, corporate partnership to increase job opportunities and marketing.

Mobilization/Deployment Readiness Program

Efforts continued to field video-teleconferencing facilities, revise Operation READY deployment training materials, and provide support to Family Readiness Groups.

Exceptional Family Member Program

The Exceptional Family Member Program works with other military and civilian agencies to provide community support and educational, medical, housing and personnel services to families with special needs. In FY00, 41,686 sponsors and 61,607 members were enrolled in the program. Program initiatives in FY00 included efforts to increase execution of the QACS Management Development Decision Package; implement the ACS accreditation program (EFMP included); disseminate a new DOD Instruction that will improve EFMP screening, enrollment, and assignment coordination; post a change to AR 608-75 (EFMP); implement a DOD special-needs web site; and disseminate two EFMP handbooks.

Transitional Compensation for Abused Dependents

In order to reduce disincentives to report abuse, Congress established the Transitional Compensation program for abused dependents of military personnel in FY94. This legislation authorizes temporary payments at the rate specified for Dependency and Indemnity Compensation for families in which the soldier is discharged administratively or by court-martial for a dependent abuse offense. Payments are for a minimum of 12 months or until the soldier’s ETS date, whichever is longer, but may not exceed 36 months. Applications and documentation are completed through installation ACS Family Advocacy Program and Staff Judge Advocate staffs and forwarded to USACFSC for legal review and approval prior to initiation of benefits. In FY00, 153 families received \$2.4 million in benefits.

RECREATION PROGRAMS

1999 - 2000 Army Recreation Awards

Outstanding Installations

Small Installation	White Sands Missile Range, N.M.
Large Installation	Fort Carson, Colo.

Outstanding Programs

Sports and Fitness	Fort Campbell, Ky.
Libraries	Fort Lewis, Wash.
Automotive Skills	Fort Benning, Ga.
Arts and Crafts	Heidelberg, Germany
Outdoor Recreation	Fort Lewis, Wash.

Outstanding Employees

Employee of the Year	Mark Smith	(Fort Monmouth, N.J.)
Career Employee	Jim Sohre	(USAREUR)
Recreation Volunteer	John Ambro	(Fort McCoy, Wis.)



*Spc. Ugo Uche lifts over 300 lbs. in StrongMan Competition during Fort Hood's Single Soldier's Day at Belton Lake Outdoor Recreation Area.
- Photograph by John Byerly*

Sports and Fitness

Total sports and fitness program funding increased by \$1.4M (2 percent) from FY99. Programmed APF support increased by 1 percent, or \$2.7M during the period, still below the 100 percent APF Category A goal. Net NAF operating costs decreased by \$1.3M. This decrease in operating costs and an increase in revenue produced a \$1.4M decrease in the FY00 NLBD to \$.5M.

During 2000, Congress, the DOD, and Army senior leadership responded to what soldiers and family members have said in surveys: fitness facilities are number one in importance. The Army has developed a centrally-managed Army Facility Strategy that defines facility requirements over a 30-year period. Fitness facilities are prioritized in the first 10 year increment of this plan. This strategy, if resourced, will take fitness facilities to C-1 level across the Army starting in FY04. A standard construction design will meet fitness trends, expectations, and new Army and DOD standards, and incorporate American College of Sports Medicine guidelines. New fitness modules can be added to existing facilities instead of rebuilding from the ground up.

The MWR BOD approval of baseline fitness and sports standards for staffing, equipment, training, programming and facilities resulted in a 12 percent increase in staff training and a 4 percent increase in equipment availability in fitness facilities. Efforts to increase APF staffing (currently at the 50 percent level) remain a priority. Shortfall funding requirements to meet baseline standards have been presented through the Army's planning, programming, budgeting, and execution process.

Through centrally funded training, the Cooper Institute of Aerobic Research delivered fitness and/or biomechanics certification training to more than 100 installation personnel. An additional sports administration course focused on activity-specific planning, organization and coordination. To meet CSA well-being objectives, the future of sports and fitness will focus on integrating and partnering with health promotion, injury prevention, and unit readiness and fitness initiatives.

In another successful year, the Army Sports Program won 8 of the 16 contested Armed Forces Championships. Army teams won gold in women's basketball, wrestling, boxing, men and women's taekwondo, men and women's golf, women's soccer, men and women's triathlon and rugby. Second place finishes were in men's softball, women's softball, men's soccer, and men and women's cross-country. Third place finishes were in men's basketball, men's volleyball, women's volleyball, and men and women's marathon.

In Conseil Internationale du Sport competitions, Army athletes were part of Armed Forces teams that won gold medals in men and women's golf, men's soccer and women's standard rifle. Second place finishes were in modern pentathlon, freestyle wrestling, Greco-roman wrestling, women's taekwondo, and women's formation sky diving. Third place finishes were in men's foil in fencing, women's triathlon, and men's taekwondo.

During the 2000 Olympiad, 13 soldiers earned spaces on the Olympic team in boxing, modern pentathlon, track and field, and shooting. Nine soldiers earned alternate spaces, and one active duty and one retired soldier coached. Sgt. 1st Class James T. Graves, U.S. Army Marksmanship Unit, Fort Benning, GA won a bronze medal in skeet shooting.



*Sgt. Keith Sieracki (right), Wrestling/Greco Roman/97 Kg, at the 2000 U.S. Olympic Trials in Texas, June 2000.
- Photograph by Tim Hipps*



*Staff Sgt. Olanda Anderson, Boxing/178 Lbs, at the 2000 U.S. Olympic Boxing Trials in Florida, February 2000.
- Photograph by Tim Hipps*

World Class Athlete Program

The Army World Class Athlete Program focused on qualifying soldiers for the 2000 Summer Olympics in Sydney, Australia, with 77 soldier-athletes training for the XXVIIIth Olympiad. In the competition to qualify for a space on the U.S. Olympic team in their sport, these soldier-athletes captured 243 medals in National and International events. Fifty-six WCAP soldier-athletes qualified for U.S. Olympic Team trials in boxing, cycling, judo, modern pentathlon, rowing, taekwondo, wrestling, and track/field. Four soldiers won berths on the U.S. Olympic Team in boxing, modern pentathlon, track/field, and wrestling, and three went on to competition in Sydney. Although none earned a medal, they all posted respectable finishes: Spc. Chad Senior finished in sixth place in Modern Pentathlon; Spc. Dawn Burrell finished the women's long jump in 11th place; and Staff Sgt. Olanda Anderson was eliminated in preliminary rounds in boxing (178 lbs).

Two soldiers also served on the 2000 U.S. Olympic Team staff: Staff Sgt. Basheer Abdullah, Boxing High Performance Coordinator, and Capt. Jim Gregory, Modern Pentathlon Team Leader. Nine soldiers from WCAP captured spaces as alternates on the boxing, modern pentathlon, track and field, and wrestling teams.

In addition to the Summer Games, 12 soldier-athletes assigned to WCAP began training for the 2002 Winter Olympic Games in biathlon and bobsled.



*Spc. Chad Senior at the World Modern Pentathlon Championships in Italy, June 2000.
- Photograph by Robert Coley*



*Spc. Dawn Burrell, Track and Field/Long Jump, at the 2000 Olympic Games in Australia, September 2000.
- Photograph by Tim Hipps*



Scenes from the 2000 U.S. Army Soldier Show - "Carpe Diem".
- Photograph by USACFSC Public Affairs



Entertainment

Sgt. Irving Berlin established the motto, mission and philosophy of Army entertainment in 1918 as "Entertainment for the Soldier by the Soldier". From that first show on Broadway 82 years ago, the 2000 U.S. Army Soldier Show completed the 17th year of its modern incarnation, entertaining an audience of over 140,000 during a six-month tour that included Europe and the Balkans. A total of 125 performances at 62 locations included 4 special shows sponsored in part by U.S. Army Reserve Center. Steady command interest in hosting the program speaks to its popularity at installations.

A new technical assistance team, when fully activated in FY02, will assist commanders in reestablishing installation entertainment programs and improving existing programs. A second new program, the BRAVO! Army Theatre Touring Company, began in November 2000. BRAVO! will deliver headquarters-produced programming to the field and establish a recognition program for soldier participants in theatre equal to those for musicians and singers.

The Army Concert Series completed a successful seventh year, presenting 12 "big-name" concerts at CONUS installations. With net income of \$528K, a 20 percent increase for the second year in a row, the series is considering more "A" level talent. The series generated \$462K in income for 12 installations. Special events training conducted at San Antonio, Texas, by USACFSC staff contributed to the growing success of the Army Concert Series and to an increase in special events at installations.

In other venues, the Stars of Tomorrow solo talent competition was reintroduced in conjunction with Battle of Bands at a gala two-day event in Washington, D.C. The USA Express, an all-Army touring show band, fielded three full tour units and a special showband for Army birthday events. Each unit undertook a two-month tour to entertain deployed military personnel worldwide.

The USACFSC increased direct technical support to installation community entertainment programs, and installation level activity grew for a third consecutive year. Programs showed a 10 percent increase in production activity from 1999. Direct support through the installation copyrights and royalties program exceeded \$160K. Despite increased operating expenses, overall cost of goods decreased. Levels of APF support remained stable at 59 percent of total operations, and increased local revenues resulted in a slight reduction to installation NAF expenses. In conjunction with the American Association of Community Theatres, an entertainment training conference for field specialists was held for the first time in nine years in June.



Fort Irwin BOSS Recreation event, skiing at Big Bear, Calif.
- Photograph by Pfc. Amy Abbot



Soldiers enjoying their leisure time at the Camp Humphreys', Republic of Korea, Community Activity Center.
- Photograph by Paul Parrish

Better Opportunities for Single Soldiers

Better Opportunities for Single Soldiers supports the well-being of single and unaccompanied soldiers. An integral part of the Army's recreation program, BOSS utilizes the Recreation Delivery System to build programs for its "customer" base.

The theme of the 2000 Armywide BOSS conference was, *"BOSS to the Future...Bridging the Gap, Paving the Way."* The conference saw many "firsts" in speakers and activities. This was the first BOSS conference to receive a speech by the Chief of Staff, Army. A fun-run and box aerobics were scheduled in the morning, counteracting the all-you-can-eat buffet during the day. Attendees also attended a gong show, complete with clowns to escort performers off stage. As the Army BOSS program also serves as a model for other military service programs, conference attendees included all 4 branches of the Armed Forces. Several MACOMs, such as EUSA, USAREUR and USARPAC, held MACOM conferences to complement the Armywide conference.

The *BOSS News & Views*, with a distribution of 10,000, is now published four times a year and is also available on the BOSS web page. The newsletter continues to showcase installation BOSS programs and spark imaginative new ideas for its readers. The BOSS Desk Reference is in final draft and will be available soon for downloading directly from the BOSS web page.

In the near future, the program will focus on BOSS partnerships throughout MWR and DOD. The Commissary Awareness Campaign, designed to educate single soldiers about the benefits of using the commissary, will expand in '01 to 33 Army installations and two Marine Corps bases. The program will also expand to OCONUS.

Community Recreation Centers

Based on results in the 2000 Sample Survey of Military Personnel, Community Recreation Center programs continue to offer valuable programs and services that benefit soldiers and their families. Three-fifths (or 61 percent) of officers and three-fifths (56 percent) of enlisted personnel surveyed reported that they or a family member used some type of CRC program or service during the last 12 months.

As the Army moves to outcome-oriented programming, it is important to document the benefits of the programs to soldiers. Based on SSMP data, some benefits reported were that the soldier (or family member) benefited from "fun entertainment" (63 percent), "relaxed/lowered stress level" (40 percent), or "saved money" (39 percent). According to SSMP findings, the most popular staff-directed programs were pool and ping-pong tournaments, and the most popular self-directed activities were playing video games, Sony Play Station, and watching DVD/video movies. The two most popular services are snack bars and computer centers with access to the internet and e-mail.

A recent facility and program survey indicated that the average CRC is open 66 hours per week. However, SSMP data shows that both officers (65 percent) and enlisted (66 percent) were least likely to report that their expectations for "convenience of hours" was met.

In the next year, the CRC program will focus on providing internet and e-mail access at every facility through the use of computers or interactive television. The program will continue to sponsor the USACFSC All-Army Chess Tournament for the top active duty chess players and will take the lead on reestablishing the inter-service chess competition for all of the military services. We will also continue to train staff in application of the benefits-based program model to measure how community recreation programs link to Army core values and readiness.

In FY00, CRC programs were funded at \$17.3M in APF and \$4.5M in NAF. This still falls short of the DOD-proscribed metric for Category A activities. Overall NAF revenue increased \$2.6M, from \$6.3M in FY99 to \$8.9M in FY00. Program NIBD turned around from a \$300K NLBD in FY99 to a \$148K NIBD in FY00.

Libraries

Libraries play a prominent role in the military community as the installation's corporate database and knowledge manager. Libraries emphasize programs that meet educational requirements, mission support requisites and information and leisure needs. The primary reasons soldiers use libraries are for reference, research, and study. The 2000 Leisure Needs Survey cites libraries as the second most used MWR facility on installations.

Three additional libraries were established in Bosnia in 2000, adding to the one begun in 1999. Additional libraries are planned for Kosovo. These libraries provide an organized collection of books, newspapers, magazines, on-line reference databases and internet access for e-mail. The librarian who developed these libraries received recognition as 2000 Federal Librarian of the Year.

Central purchases saved the Army \$1.5M in FY00, based on the cost to installations if items had been purchased individually. The USACFSC obtained year-end funding of \$1.3M to purchase critical information resources for Army communities (on-line reference databases, hardcover materials, and CD ROMs). Recreation book kits were purchased and shipped worldwide throughout the year to support soldiers isolated from the normal installation support structure.

Based on FY00 installation assessments against MWR baseline standards, most libraries are "red" in the critical areas of staffing, materials resources, and automation. Army POM input was prepared to position dollars in out-years to enable libraries to meet the standards. Both DOD and MWR standards aim to develop quality Army libraries that are comparable to services found in communities the soldiers are pledged to defend.

The 2000 Army Library Institute was hosted by FORSCOM and HQDA in Atlanta, Ga., and focused on strategic planning, career development, knowledge management and information technology/digital resources. The Army Civilian Training, Education, and Development program funded additional developmental training.

Total APF support for libraries in FY00 was \$31M, down \$1.6M from FY99. Funding covered labor (librarians, technicians and library aids), supplies, equipment, maintenance, technology and development of library collections/services. Total NAF operating costs were equal to FY99, with \$.3M expended. Total NAF support, excluding USA monies, funded staffing and other operating costs where APF shortfalls existed. Overall NAF operating costs were 1 percent of total program funding (APF and NAF).



*Sgt. 1st Class Charles Elliott uses electronic reference tools available at the Fort Belvoir library.
- Photograph courtesy of USACFSC Marketing*

Outdoor Recreation

The popularity of outdoor recreation programming continues to grow on military installations, mirroring national trends that show increased participation in these types of activities. The 2000 Leisure Needs Survey showed that outdoor recreation programs are a popular choice for soldiers, family members, and civilians. The correlation between outdoor recreation and a soldier's performance to fulfill the military mission is based on elements of fitness, wellness and adventure. Installation outdoor recreation staffs provide a wide variety of high-quality equipment, introductory classes and specialized programs to meet customer needs and interests. High adventure and wilderness activities top the list of patron interests, as seen by the popularity of wilderness survival, rock climbing and white-water rafting programming. The trend towards "X games" type activities is drawing youth and young soldiers faster than any other user group.

An Outdoor Recreation Steering Committee was formed to develop program and financial standards for outdoor recreation programs. This committee will recommend and formulate policy and provide the groundwork to explore other outdoor recreation issues.

Annual training for outdoor recreation personnel focused on ODR program elements, with aquatics training first out of the blocks. Training planned for FY01 will include recreational vehicle park management, outdoor recreation program planners' training, "Leave No Trace", Wilderness First Aid, marina management and shooting sports management training.

Total APF funding for outdoor recreation programs increased to \$19.1M, and NAF funding increased to \$40.8M. The funding ratio of APF to NAF support was 32 percent to 68 percent, respectively — a small improvement over FY99. Program revenue increased from \$49.7M in FY99 to \$53.4M in FY00.



*Makayla Stone and her father show off the 7-inch perch that took third place in the 0-4 age group at Tobyhanna Army Depot's fifth annual fishing derby. More than 120 young anglers participated.
- Photograph courtesy of Tobyhanna Community Recreation Division*



*Richardo Alonzo (standing), Arts and Crafts Director at Fort Huachuca, leads a "New Quick and Easy Silk Painting" class.
- Photograph by Linda Ezernieks*



*Michael Skillings teaches a Darmstadt Girl Scout troop the basics of automotive maintenance. Skillings is Director of the Automotive Crafts center on Cambrai-Fritsch Casern in Darmstadt, Germany.
- Photograph courtesy of USAREUR Public Affairs*

Arts and Crafts

The Heidelberg Arts and Crafts Center was named the Outstanding Army Arts and Crafts Program for 1999-2000.

Fort Riley, Kansas, is a "model site" for picture framing and proved an excellent location to train 90 Armywide staff in basic and advanced picture framing techniques. Fort Riley also hosted technical training, "Vision 2000 Arts and Crafts on the Fast Track," emphasizing picture framing techniques. Other classes were available in different disciplines, such as archival framing techniques to working with precious metal clay. All attendees were encouraged to take an on-site Professional Picture Framer Certification test designed by Stanford University. Based on attendee comments, FY01 training at Fort Hood (4th Qtr, FY01) will focus on technical skills, more picture framing techniques, and a variety of other classes. On-going program initiatives will focus on developing an operational picture framing manual and renewing partnerships with child and youth programs to provide well-planned and structured creative experiences.

In May 2001, the 2000 Army Photography Contest will be hosted by Fort Dix, N.J.; entries will be screened by panels at installation, MACOM, and Army levels. Also in April, Fort Hood will host the Designer Craftsman Competition, focusing on fibers and textiles, ceramics, wood, glass and multimedia work. In 2001, local entries will be accepted for the Army Photography Contest and the Army Fine Art Contest, providing participants an opportunity to share their work, showcase their skills, and receive Armywide recognition.

Total funding for the program increased from \$13.4M in FY99 to \$15.7M in FY00. From FY99 levels, APF execution increased from \$6.7M to \$9.7M, and NAF revenue increased from \$7.1M to \$7.6M with NIBD in the black at \$.4M. The cost of goods dropped from 58.0 percent in FY99 to 57.7 percent in FY00.

Automotive Skills

The Fort Benning Automotive Skills Center was named the Outstanding Automotive Skills Program for 1999-2000.

The Automotive Skills Technical Trainer Travels 2000 program was conducted at 18 installation automotive skills centers, providing technical instruction to 42 CONUS automotive professionals. Host installations furnished classrooms, in-shop equipment, vehicles to work on, and space to accommodate groups of 3 to 12 employee students. Course instruction focused on brake systems (including antilock systems) in areas such as how to identify and locate balance and flow control, drum and rotor resurfacing, causes of brake failures, precautions in trouble-shooting strategies, techniques for preventing pulling, squealing, and brake fading. The course prepared attendees to take an on-site Automotive Service Excellence test on diagnoses and service of the automotive hydraulic system.

In October, 14 automotive skills managers attended the Automotive After-Market Exposition in Las Vegas, Nev., where program standards and RecTrac! software were just two of the subjects reviewed by participants.

From FY99 to FY00, APF support for automotive skills decreased from \$9.7M to \$8.7M. As a percent of total operations, APF improved from 50 percent to 51 percent in FY00.

BUSINESS PROGRAMS

2000 Excellence in Management Awards

Clubs (James A. Carroll, Jr. Award)		Most Improved Facility	
Samuel W. Guerry	Fort Jackson, S.C.	Jesse Carter	Fort Benning, Ga.
Alfred E. Rudolph	Fort Belvoir, Va.	Barbara Stokes	Fort Bliss, Texas
Gabriel McCollum	Fort Lee, Va.	Peter Paul Loo	Leilehua, Hawaii
Golf		Multi-Facility Manager	
Thomas R. Pettegrew	Stuttgart, Germany	Marshall M. Iyoki	Schofield Barracks, Hawaii
William Fumai	Fort Carson, Colo.		
Gary Sanford	Fort Richardson, Alaska		
Bowling		Business Manager	
John Howard	Redstone Arsenal, Ala.	Charlotte S. Cole	Carlisle Barracks, Pa.
Charles Dean Ryan	Fort Meade, Md.		
Leisure Travel		Recycling	
Elvira Garcia	Fort Bliss, Texas	George L. Duncan	Fort Leavenworth, Kan.
Siegi Gibbs	Fort Knox, Ky.	Terrence Michael Carnes	Fort Knox, Ky.
Food, Beverage, and Entertainment and Theme Concepts (James A. Carroll, Jr. Award)		Amy C. Gee	Fort Stewart, Ga.
Stephanie E. Jacobson	Fort Carson, Colo.		

Leisure Travel

In FY00, the Army's commercial travel services program was affected by major changes in airline commissions paid to travel agencies. Army travel contractors demanded the right to eliminate fees paid to MWR and to charge transaction fees, resulting in termination of leisure services under most Army regional travel contracts. Authority was delegated to installations to contract locally for travel services.

The USACFSC developed www.offdutytravel.com, a web site providing access to most domestic air carriers, cruises, rental cars and other services and information. Agreements with "preferred partners" provide value to military personnel and a revenue stream to NAFIs.

The leisure travel program generated FY00 NIBD of \$2.2M. Commercial travel NIBD was \$1.4M, a 60 percent drop from FY99's \$3.8M. Information, Tickets, and Reservations achieved NIBD of over \$700K — the fourth consecutive year of positive NIBD results.

The leisure travel program will no longer receive large amounts of revenue from commercial travel concession fees. Instead, the future success of the program will rely on enhancing skills of ITR staff, particularly those at sites without an on-post travel office, to assist military personnel in booking travel arrangements using the internet. ITR offices will be encouraged to plan, promote, and sell tours that complement other MWR programs such as Outdoor Recreation, Youth Activities, and BOSS. More commercial travel preferred partnerships will be negotiated to provide greater value to soldiers and improved revenue to MWR.

Special Events

In June, MWR celebrated the Army's 225th birthday with its first web-based event. MWR patrons logged on to www.armybirthday.com and participated in cyber activities that allowed them to win daily prizes, order their favorite military music, view video footage of everyday heroes sharing memories of military experiences, send email Army birthday cards and play the Army Insignia Game. The site, though active for only 30 days, received over 500,000 hits. Eighty installations participated by distributing invitations. Approximately 85 percent of the cost, in addition to the grand prize, was funded by commercial sponsorship.

Seventy-seven bowling centers participated in the "Bowl 2000 Pins to Win" summer promotion. Targeted at preteens, young adults and families, the promotion was designed to increase lineage and develop the youth market. Revenue at participating centers increased 19 percent from the same period in FY99.

"It's a Jungle" was a themed event for attendees at the 2000 Garrison Commander and DPCA Conference. The event showcased the latest in video and interactive gaming technology available for installations and featured the new MWR theme restaurant concept, TurboZ.

The USACFSC is developing turnkey events designed, packaged, and ready for implementation by installations. The National Trivia Network Passport Program is being designed for competition within food and beverage operations. Other initiatives include: a Senior Professional Golf Association Event, a summer bowling customer loyalty event, an Army Golf Day and an interactive portal web site to highlight new events and initiatives and to link to MWR business sites.



Army MWR celebrated the Army's 225th Birthday with its first web-based event, the "Cyber Celebration".



*Soldiers participate in "combat golf" during Shot of the Century competition in Bosnia-Kosovo.
- Photograph courtesy of USACFSC Public Affairs*

Golf

Army golf patrons recorded over 2.3 million rounds in FY00, enjoying over 11 million hours of leisure time on golf courses Armywide. The 2nd annual Shot of the Century Hole-in-One Contest proved a success with 51 installations participating. Over 600 soldiers stationed in Bosnia took part in a follow-on competition through the use of a golf simulator. Training continued as a high priority with the 2nd Army Golf Superintendents' Course being completed at Texas A&M University and the Army golf managers again participating in the PGA/Armed Forces Golf Managers' Seminar in Orlando, Fla. In the area of course improvements, a centralized contract for capital lease of irrigation systems was made available through the Air Force NAF Purchasing Office.

The Army's 56 golf courses achieved an NIBD of \$11M on total revenues of \$70.8M, or 15.6 percent — exceeding the first-year MWR BOD standard of 15 percent. In FY00, NIBD exceeded FY99 levels by \$764K, of which \$510K came from increased profitability in food and beverage.

Over the next year, there will be increased focus on ensuring the golf program is maximizing profitability by creating a balance between daily fee and advanced fee golfers, while continuing to be affordable for all soldiers. Army golf will implement a web site for customers with detailed course information and features designed to encourage visitors to return. Lastly, efforts to improve and protect the infrastructure of the Army golf program through upgrades to maintenance facilities and irrigation systems will continue.



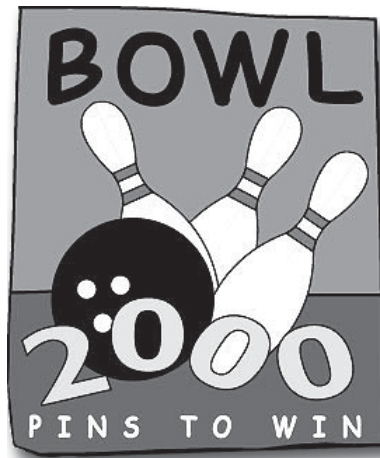
*The new Army theme concept, TurboZ, is unveiled at the Garrison Commander/DPCA Conference in San Antonio, Texas.
- Photograph courtesy of USACFSC Business Programs*

Food and Beverage Operations

With more than 250 facilities in operation worldwide, Army food and beverage operations continue to be an integral part of installation business programs. Theme operations continue efforts to improve profitability while changing the face of typical military food and beverage services. Thirty-two Army-branded theme restaurants and 11 Orion brands currently operate worldwide. A recent agreement with the Army and Air Force Exchange Service will provide yet another alternative for delivery of name brand fast food service at Army MWR facilities.

Army food, beverage, and entertainment operations, to include club, non-theme programs, and theme operations, generated an NIBD of \$10.9M (5.9 percent) from total revenues of \$183.9M. Clubs and non-themed food, beverage, and entertainment activities produced an NIBD of more than \$9.4M (5.6 percent) on total revenue of more than \$170M, indicating continuing improvement. Army themed operations added \$16.3M in revenue to club, golf and bowling operations, resulting in an NIBD of \$1.6M. Additionally, the Joint Service Prime Vendor Program served 186 installations and bases in 14 countries with a total purchasing volume of \$86M — a 17 percent increase over FY99. The JSPVP agreements with food distributors saved over \$12M in FY00.

Army theme operations introduced their newest concept, TurboZ, combining the excitement of hi-tech video arcades with a colorful motor sports design package. To round out the Army's full-service portfolio of brands, contracts with one or more name brand casual theme restaurants are being explored. Several national brand chain restaurants have expressed interest in expanding their "nontraditional" market onto military installations. In the aggregate, all food and beverage operations will continue to be challenged in the future by the established 8 percent NIBD standard for clubs and food, beverage, and entertainment activities effective in FY01.



The USACFSC-sponsored worldwide bowling promotion, "Bowl 2000 Pins to Win" increased lineage on participating installations by as much as 19 percent.

Recycling

Recycling continues to evolve into a mature program. Years of effort to reduce and reuse items (part of the overall installation program to Reduce, Reuse, & Recycle) shows up as a reduction in quantity or weight of items available to recycle. A downward trend in recycling revenues is expected from this side of the overall solid waste program. However, efforts to expand recycling into other income producing areas, such as recycling buildings set for demolition, may offset a revenue decline at a number of installations.

One portion of the RRR Program is the Qualified Recycling Program, which allows the commander to keep proceeds (after QRP expenses) from the sale of recyclable material. In FY00, the QRP generated \$7.8M in revenue and \$2M in NIBD to support soldier and family MWR programs. Additional funds from net recycling sales are used by the commander to fund pollution abatement, energy conservation, or occupational safety and health projects. Two keys to maximize revenue from a QRP operation are to ensure that items with a positive return (items that can be sold for more than the processing cost) are sent to the QRP center, and that the cost of picking up and delivering solid waste items (whether or not they can be recycled) is not an expense of the QRP.

The new Measure of Merits should be fully implemented in FY01, allowing a comparison of cost versus the benefit of recycling for the first time. The Solid Waste Annual Reporting System should also be fully implemented in FY01, allowing an accurate picture of the types and quantity of material recycled for the first time. These reports will allow installations to adjust their recycling programs to maximize a reduction in solid waste landfill deposits and increase revenue to the installation thru the QRP.

Bowling

Renovations and new construction were top priorities for the bowling program in FY00. Glow bowling is now offered at 59 centers and has been proven to increase lineage, patronage and revenues. More substantial construction upgrades included a new 48-lane center at Fort Hood and major renovations at Fort Belvoir, Fort Leonard Wood and Stuttgart. Proposed major construction projects were assessed at Redstone Arsenal, Camp Humphreys, Fort Lewis, Fort Campbell, Fort Bragg, Fort Gordon, Fort Hamilton, Baumholder and Vicenza.

Patrons enjoyed the first worldwide bowling promotion, "Bowl 2000 Pins to Win." Sponsored by USACFSC, 77 installations participated, which primarily targeted the youth market. Participating centers increased lineage by as much as 19 percent during the promotion.

The Strike Zone snack bars continued to prosper. Strike Zone snack bars set the food service standard for Army bowling, with operations now open at Fort Shafter, Mannheim, Fort Myer and Menwith Hill. All Strike Zone operations showed exceptional total revenue and NIBD results.

Patrons in 106 bowling centers bowled 9.9M lines on 1,818 lanes, producing \$44.3M in total revenue and \$7.2M in NIBD. As a percent of revenue, NIBD was 16.2 percent, exceeding the MWR BOD standard of 15 percent in FY00. The BOD standard will increase to 16 percent in FY01.

All indicators point to an exciting future for Army bowling. Development of a bowling managers' certification program was completed. In upcoming years, the program will be implemented with training classes offered to enable managers to complete their certification requirements. Promotions designed to assist managers with programming and entice more patrons to bowl will continue. Point-of-sale systems will also be evaluated to determine the best options for the program's diverse needs.

Mr. Drew Benson tells a community member about AFRC-Europe during a Community Information Fair at Sembach Air Base, Germany. - Photograph by Staff Sgt. Omolara Akinretoy



ARMED FORCES RECREATION CENTERS

Armed Forces Recreation Centers

- > Shades of Green® on WALT DISNEY WORLD® Resort
- > Hale Koa Hotel
- > Dragon Hill Lodge
- > AFRC-Europe (Garmisch and Chiemsee)

AFRCs achieved total revenues of \$114M in FY00, the most successful year yet. AFRCs provide wholesome, affordable and memorable resort vacations for soldiers and families. In FY00, 1,180,179 guest nights were served – an aggregate 94 percent occupancy rate. The AFRCs' operating objective is to provide the greatest possible value for guests while maximizing NIBD to fund capital and minor construction projects.

Referral agreements are a tool to satisfy unmet AFRC demand. Due to high occupancy at DHL (99 percent) and SOG (99 percent), securing hotel referrals for guests who cannot be accommodated is a winning solution for all parties. Guests receive discounts at referral hotels and AFRC access for dining, entertainment and recreation, while the AFRC receives additional commission income. Referral agreements push aggregate AFRC occupancy from 94.4 to 109 percent.

Dedicated to Korean War veterans, the 95-room DHL tower had its grand opening on 22 September 2000. The \$21.3M hotel expansion was on time and within budget. Expansion projects are also planned for SOG and AFRC-E. With an unaccommodated demand at 150 percent of capacity, the SOG will receive 289 additional guest rooms, banquet space, food and beverage outlets and a parking garage. AFRC-E currently operates five antiquated, labor-intensive 65-year-old hotels between Garmisch and Chiemsee, Germany. Plans call for existing facilities to be closed and operations consolidated into one 330-guest room resort in Garmisch with meeting space; food, beverage, and retail outlets; and a fitness center.

ARMY RECREATION MACHINE PROGRAM

The ARMP program delivers state-of-the-art recreation and amusement entertainment. Since 1981, the program has netted over \$1B after depreciation. In FY00, total ARMP revenue was \$121.6M, up 10 percent from FY99. Slot machine revenue increased to \$111.8M, up \$9.6M (9 percent). Amusement machine revenue rose to \$9.7M, up \$1.7M (21 percent). Operating efficiencies, economic recovery in the Far East, and expanded operations provided a \$73.5M distribution to the AMWRF, ARMTF and participating MACOMs, up 12 percent from FY99. The program continues to focus on decreasing operating costs despite a 10 percent growth in the machine fleet. The ARMP now supports more than 7,800 machines.

Slot revenues in Korea and at USMC locations in Okinawa continued to rise, aided by program realignments to maximize use of the existing slot fleet and additional bar-top and slant-top touchscreen gaming machines. Revenues in Europe declined due to a combination of small, dispersed communities, frequent deployments and force protection issues. A partnership with AAFES allowed ARMP expansion to Fort Benning, Fort Sam Houston, Seymour Johnson Air Force Base (N.C.), Bad Aibling (Germany) and Seoul, Pyongtaek, and Taegu (Korea). ARMP also installed additional amusement machines at the USMC's Cherry Point, N.C. The program continues to support amusement machines for deployed soldiers in Bosnia.

ARMP will test a coinless/cashless gaming machine system in FY01, with automated kiosks for card purchase and redemption. Conversion to such systems is long-term but provides efficiencies and labor savings for the program and its host facilities.

2000 Army Lodging Operation of the Year Award

<i>Small Category</i>	
Ansbach	Germany
<i>Medium Category</i>	
Tripler Army Medical Center	Hawaii
<i>Large Category</i>	
Grafenwoehr/Vilseck	Germany
<i>Super Category</i>	
Fort Knox	Kentucky



*Fort Rucker's guest house offers superior service and accommodations for the Army traveler.
- Photograph courtesy of USACFSC Lodging*

ARMY LODGING

Fiscal Year 2000 was a year of tremendous change for Army Lodging, particularly for programs categorized as guest house operations. As a result of changes to the Joint Federal Travel Regulations/Joint Travel Regulations, and subsequent revisions to DOD policies for lodging, guest houses were consolidated with temporary duty lodging as part of the Lodging Fund NAFIs on 1 October 2000. At some MACOMs and installations, the loss of guest house revenue significantly impacts MWR funds. To mitigate the impact, the Army Lodging Fund will pay back the book value of guest house capital assets in FY01 through FY06.

Professional development moved forward with a partnership with Pennsylvania State University's School of Hotel, Restaurant, and Recreation Management to provide lodging management training. Based on positive feedback by participants, the curriculum will be expanded in FY02.

Work began on a career plan for Hospitality Management under ACTEDS Career Field 51, MWR, as well as publication of standardized position guides for key positions in lodging operations. These initiatives will be completed in FY01.

Army Lodging continued to leverage its significant buying power for the program's 21,000 room inventory under the Product Standardization Initiative by instituting a consolidated contract for in-room amenities. This is in addition to the successful bed and bath linen contract activated in FY96. Standardization efforts planned for FY01 include telecommunications systems, credit card processing, registration materials, and additional guest supply items.

As directed by the MWR BOD, the GEAC commercial property management system was deployed to operations with more than 15 units. A majority of the testing and documentation required for a System Security Authorization Agreement for the software was completed. Full accreditation is expected when secure system upgrades are fielded in FY01, ensuring total system management.

CORPORATE SPONSORSHIP AND ADVERTISING

The sponsorship and advertising mission is twofold: generating revenue for MWR programs and events, and increasing installation sales by assisting field operations with training and national partnerships. To accomplish this, the USACFSC continues to explore new business development opportunities and to renew current clients of established MWR programs. The USACFSC also coordinates an annual training conference to provide field managers with professional development opportunities.

The newly introduced Armywide franchise-advertising program will also be expanded in FY01. For this program, the USACFSC negotiates an agreement with the client while participating installations receive the benefits and revenue.

The Army leads the military services in sponsorship and advertising sales, with FY00 revenue totaling \$10.7M in cash and in-kind, an increase of \$2M over FY99.



An artist's rendering of the Lardmark Inn at Fort Bragg, N.C., one of the Army's new public-private venture projects.

PUBLIC-PRIVATE VENTURES

The goal of the Army's public-private ventures program is to secure private sector expertise to deliver MWR facilities and services and decrease the burden on Army funds.

The Fort Carson Car Wash, the Army's first PPV project, exceeded its FY00 estimated cash payment to the installation by almost 300 percent. This project opened fourth quarter FY99.

Three PPV contracts were awarded in FY00 for hotels at Fort Bragg, Hunter Army Airfield and Fort Irwin. These hotels will provide 455 guest rooms at a combined construction cost of \$31M. The Army's contribution for construction of these facilities will be \$0. Over the next 25-35 years of operation (length of the lease), these facilities will incur even greater savings as the costs to operate, maintain and upgrade will be the responsibility of the developer. These facilities will generate approximately \$11M for the installation's MWR funds over the life of the lease. Lease payments will generate approximately \$775K to the U.S. Treasury during the lease term to be returned to the MACOM/installation for environmental restoration and maintenance and repair. These facilities are slated to open in 2Q FY01.

An estimated nine PPV contracts are planned for award from FY01 to FY02. These projects represent an estimated NAF capital cost avoidance of \$50M. The contracts will provide needed facilities for soldiers and their families and provide a residual income to installation MWR funds that will assist in providing other services and programs. There will be no cost for maintenance and repair, as developers will maintain facilities for the life of the lease.

MARKETING

MWR marketing, in addition to executing a wide variety of initiatives for the year, is looking at program opportunities 5, 10 and 20 years into the future. Major initiatives for FY00 included the following:

2000 Leisure Needs Survey >

The LNS was administered at 86 Army installations worldwide, measuring usage, quality and satisfaction with MWR programs and facilities. A combined Armywide report, as well as MACOM reports and installation-level reports, was delivered in October 2000.

TIDBITS >

Marketing and industry information is distributed monthly to MACOMs, installations, and other services via email. TIDBITS includes research information on families; children and youth; food, beverage, and entertainment; leisure, hobby, and skill development activities; the internet and computers; sports and fitness; and travel and tourism. This publication is also available on the MWR home page.

Training >

Armywide marketing training was conducted in conjunction with the Army Garrison Commanders' MWR Conference in San Antonio, Texas. Private industry experts and university professors delivered graduate-level marketing instruction on the relationship between age demographics and marketing effectiveness, developing a survey tool to measure customer value, sports and entertainment marketing the concept of convergence of marketing methodologies and the importance of professional image in the marketing equation.

"Forecast Focus" >

Marketing launched a new publication, "Forecast Focus", that analyzes long-term trends in demographics, socio-economics and consumer behavior that will influence the MWR market and its customers.

MWR Logo >

The MWR logo is now a registered trademark and will be in the forefront of a promotional ad campaign for all of MWR.

Internet >

Web development policies and standard operating procedures have been developed for MWR. Web content for the MWR presence at www.armymwr.com will be expanded for soldiers, family members, civilians, and retirees.

INFORMATION MANAGEMENT

Year 2000 compliance for MWR information systems was a success. Systems were tested, renovated, and upgraded as needed for Y2K, leap year or other problems.

Systems security certification and accreditation was another undertaking in FY00. Facing disconnection of all MWR systems from installation backbones due to security concerns, work began to accredit MWR systems, including the MWR MIS, library systems, youth computer labs, AFRC systems, and ARMP systems.

Other system improvements in FY00 included:

Time Labor Management System >
Local national payrolls in EUSA and USAREUR were improved.

Financial Management and Budget System >
Version 2.0 was deployed to two CONUS locations; all but two MACOMs develop budgets on the internet.

Recreational Tracking System >
Version V2 was deployed at 46 installations, providing facility and activity reservation and registration, league and tournament management and a point-of-sale system for rentals and snack bars. Version V2 includes standard general ledger accounting codes. Over 2,600 users were trained in FY00.

Golf Tracking System >
Golfrac! is installed at all Army golf courses. The focus for FY00 was sustainment and increasing user knowledge of system capabilities. An automated telephone tee-time reservation system was installed at several locations and is available Armywide.

Child Development Services Automated Management System >
With version 2.4 in sustainment, efforts were on acquisition and testing of a commercial off the shelf application, Child and Youth Management System, to replace CDSAMS. Armywide implementation of CYMS begins in FY01.

Standard Management Information Reports for Finance >
SMIRF was improved to run over the internet. Armywide implementation is scheduled for 2nd Qtr FY01.

Standard NAF Automated Contracting System >
A web-based requisition module was tested at two CONUS sites; Armywide fielding is scheduled for FY01. SNACS is the first implementation of a fully web-enabled application.

The MIS Steering Committee was rechartered as the MWR Enterprise Information Systems Architecture - Configuration Control Board with operational, systems, and technical architecture committees, moving Army MWR closer to compliance with the Cinger-Cohen Act, the Paperwork Reduction Act and the Government Paperwork Elimination Act. Systems architectures will enable MWR information bandwidth requirements to be included in the total Army requirement. Work on the operational architecture (deployed) began in FY00 and should be completed in FY01.

NAF CONTRACTING

Installations, MACOMs and USACFSC developed Armywide NAF contracting standards and measures in FY00, focusing on workload, acquisition lead-time, I.M.P.A.C purchase card usage, customer service feedback surveys, position guides, performance standards, individual development plans and management oversight.

Project delivery time for NAF design-build projects was streamlined from 36 months to 28 months. By coordinating project validation assessments with design-build contractors, development and delivery of facilities is more efficient and timely. The USMC, NEXCOM, and Navy MWR programs also participate in the program. The Army also provides the USMC, NEXCOM, and Navy MWR with contract execution, management and design-build construction projects on a cost reimbursable basis. To date, 42 contracts valued at \$92.1M have been awarded, and 20 projects valued at \$24M have been completed. An additional MOA was negotiated in FY00 with the Naval Facilities Command.

Major FY00 acquisition and procurement efforts for Army MWR included the following:

> Awarded 30 major and minor construction contracts valued at \$25.3M and other contracts valued at \$1.4M to provide installations with professional construction services.

> Awarded 3 public private venture contracts for guesthouses/motels at Forts Bragg, Irwin, and Hunter Army Airfield.

> Administered 24 contracts for the Lodging Success Program, which saves the Army more than \$6M a year in travel expenses for the National Capital Region; Atlanta, Ga.; Newport News, Va.; Hampton, Va.; Miami, Fla.; Puerto Rico; Boston, Maine; and San Antonio, Texas.

> Administered a \$40M Aetna U.S. Healthcare contract to provide third party administration services to the DOD Uniform NAF Health Benefits program.

> Administered 18 joint services prime vendor program contracts and awarded a contract for Southern California, New Mexico and Texas; 189 worldwide participants purchased \$89M against contracts, realizing an annual cost savings of \$12M.

> Administered the Armywide purchase card program for 6,000 NAFI cardholders, with FY00 purchases totaling \$88M.

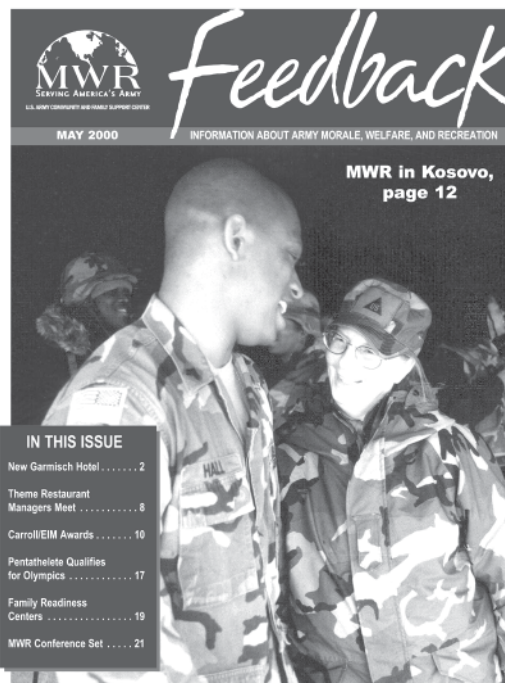
Initiatives for FY01 include a web-based Standard NAF Automated Contracting System. With five regional databases, this system will integrate and automate Armywide procurement from purchase request through award and closeout.

PUBLIC AFFAIRS

The public affairs mission is to “tell the story of Army MWR” to internal and external audiences through print, broadcast, and electronic media.

Soldiers competing in the 2000 Summer Olympic Games in Sydney, Australia received extensive media coverage from Army-level competitions, Olympic qualifications, the Sydney games, and a post-Olympics visit to the White House. A joint Army and George Washington University press conference featured Olympian Spc. Chad Senior, modern pentathlete, whose story appeared on network television and in “The Washington Post.”

The USACFSC obtained two U.S. Olympic Committee credentials and partnered with the Department of Defense Visual Information Center to arrange for two Air Force reserve photographers from the 4th Combat Camera Squadron to provide on-site images of the soldier athletes at the Olympics. The USACFSC provided athlete photographs and biographies to the NBC Olympic web site, and in Sydney the photographers posted 200 images to the DOD Joint Combat Camera web site. A contract sports-writer produced more than two stories a day when military athletes competed. The images and print products were published in installation newspapers, the “Army Times,” “Soldiers” magazine and “Stars & Stripes.”



Other highlights for FY00 included the following:

- > Published six bimonthly issues of *Feedback*, the Army's MWR communication magazine. With two 24-page, 28-page and 32-page issues, the average cost per copy was \$1.22 (37,000 copies printed).
- > Mailed 800 biennial readership surveys. More than three-fourths of respondents agreed that *Feedback* provides current information and shares ideas.
- > Generated 79 news stories, features, and press releases — a 23 percent increase from FY99.
- > Produced 193 radio products, including 131 news stories and 55 “MWR Break” features.
- > Published a nine-page feature on soldiers competing in the 2000 Summer Olympic Games in the December 1999 issue of *Parks & Recreation*, the magazine of the National Recreation and Park Association with a circulation of 21,000 nationwide.
- > Submitted 69 hometown news release forms to the Army/Air Force Hometown News Program, generating 255 hometown newspaper stories — a 40 percent increase from 1999.
- > Produced 70 video products for television, including segments for “Army Newswatch,” an Army Public Affairs broadcast distributed to 600 commercial cable outlets nationwide.

Audit

5

Process

Independent commercial auditors audited the balance sheets, statements of operations, changes in fund balances, and cash flows for the year ending 30 September 1999. An unqualified audit opinion was rendered for the Army Morale, Welfare, and Recreation Fund; NAF Employee Retirement Plan; Central Insurance Fund; Banking and Investment Fund; Medical/Life Fund; Hospitality Cash Management Fund; NAF Employee 401(k) Savings Plan; Billeting Fund; Recreation Machine Trust and Operations Fund; and the Armed Forces Recreation Centers in Europe, Korea, Orlando, and Hawaii. No material weaknesses were found. Annual audits are required by DOD Instruction 7600.6.

Auditing standards issued by the Comptroller General of the United States require that the auditors plan and perform these audits to obtain reasonable assurance that the financial statements are free of material misstatement. These audits include examining - on a test basis - evidence that supports the amounts and disclosures in the financial statements. The audits also assess accounting principles used, significant estimates made by management, and the overall financial statement presentation. The auditors believe their audits provide a reasonable basis for their unqualified opinion. Financial audits of the above funds for FY00 are in progress.

The following audits were reported to the MWR BOD's Audit and Executive Committees:

NAF Real Property at BRAC Installations >

The DOD Inspector General audit objective was to determine if military services are in compliance with Public Law 101-510 (Disposal or Transfer of Commissary Stores and Property Purchased with NAF). The report was issued 23 June 2000. Funds had been deposited in a Treasury Reserve Account from MWR real estate. To date, the DOD Comptroller had rejected proposed legislation on the use of the funds. The Office of the Assistant Secretary of Defense (Force Management and Personnel) is addressing the PAYGO issue with the Comptroller.

MWR Overhead Costs >

The U.S. Army Audit Agency reviewed selected MWR support costs. The report was issued 30 November 1999. As a result of the report, some consolidations of financial management functions at MACOM or ASG level were made where feasible. Standards and measures are also being developed for NAF contracting functions.

MWR Utilization Support & Accountability Practice >

The USAAA audit objective was to determine whether the USA practice facilitated the effective use of funds for approved programs. The audit found that all of the installations visited used the funds in accordance with guidance. The audit concluded that using the USA practice resulted in efficiencies and allowed installations to accomplish tasks otherwise not possible. The audit report was issued 20 December 1999 and suggested clarification and expansion of DA guidance. This action was accomplished in the FY01 NAF Budget guidance published in March 2000.

Installation MWR Funds >

Various single location selected financial control audits were performed on a limited basis. No audit trend report has been issued by the USAAA; however, site reports indicate the need for better financial internal controls.

Audit Work Years

Time spent by USAAA and Army Internal Review offices auditing NAF decreased from FY99 to FY00 from 56 to 48 work-years (Figure 5-1).

Internal Review audit time decreased from 38 to 29 work-years, and USAAA time increased from 18 to 19 work-years.

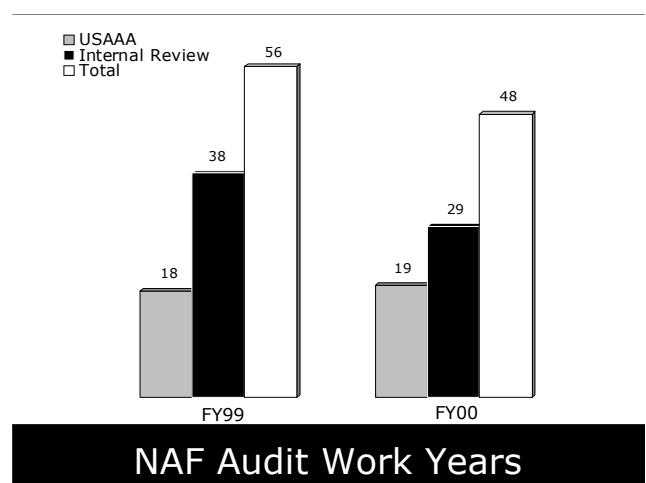


Figure 5-1

NOTES

Dollar figures used in the text and charts are rounded to the nearest \$100 thousand.

Throughout this report, "\$M" designates millions, and "\$K" designates thousands.

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U. S. Army Community and Family Support Center

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